SENATE—*Monday, March 17, 1975*

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

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

Lord of History, who in former days out of wilderness and tyranny brought forth a new nation and provided persons of honor, enlightenment, and vision to lead and serve a sovereign people, come now to this same Nation threatened by moral failure, unsure of its purpose, and sick in its economy and raise up leaders who speak truth, practice mercy, and guard the freedom of all the people. Through Jesus Christ who is truth, mercy, and freedom. 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 17, 1975.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, March 13, 1975, be approved.

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

A ST. PATRICK'S DAY WISH

Mr. HUGH SCOTT. Mr. President, today is the day we honor the Irish, as if we did not do so on every day in the year, in view of their potency in government and in the arts and in the humanities.

Perhaps the celebration of St. Patrick's Day is apocryphal; nevertheless, he is celebrated as the saint who drove the snakes out of Ireland. One thinks of the problems of that unhappy country today and wishes that someone will arise who, indeed, would be sainted in his accomplishment if he could drive the snakes of dissension from that land, which is so embittered, so filled with hatred and with bloodshed.

So, as we honor St. Patrick, as we honor our heritage, I, who have the pleasure of being partly of Irish heritage—and no Irishman ever misses the opportunity to mention that, even though I have other heritages interblended, as most Americans do—wish for the people of Ireland, both north and south, a better day, a better life, and a better time.

We all hope that some day the saint will come who will drive these snakes of disharmony and distrust and malice and hatred from the good, green isle.

ORDER OF BUSINESS

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

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the time formerly allotted to the Senator from Michigan (Mr. GRIFFIN) be yielded back.

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

Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no need for the time that was allotted to me, unless a Senator would like to have me yield to him. I see no Senator expressing such a need, so I ask unanimous consent that I may yield my time back.

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

CONTINUING AUTHORITY OF SENATE COMMITTEES TO PAY COMPENSATION AND MAKE EXPENDITURES

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 111, which will be stated by title.

The assistant 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.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

S. 1172—ORDER SETTING TIME FOR VOTE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on final passage of S. 1172 occur today at 3:30 p.m. and that paragraph of rule XII be waived.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

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

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the annual report for 1973 of the Department of Housing and Urban Development, received on March 14, 1975, under the authority of the order of March 13, 1975, during the adjournment of the Senate, which was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

The 1973 Annual Report of the Department of Housing and Urban Development is herewith transmitted to you.

GERALD R. FORD.

THE WHITE HOUSE, *March 14, 1975.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STONE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 13, 1975, the Secretary of the Senate received a message from the House of Representatives stating that the House has passed the bill (H.R. 4592) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message also stated that the House has agreed to the concurrent resolution (H. Con. Res. 146) authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization (94th Congress)", in which it requests the concurrence of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 2166. A bill 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 a credit for certain earned income, to increase the investment credit, and the surtax exemption, and for other purposes (together with minority and supplemental views) (Rept. No. 94-36).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

H. Con. Res. 133. A concurrent resolution to lower interest rates (Rept. No. 94-38).

By Mr. INOUYE, from the Committee on Appropriations, with amendments:

H.R. 4592. A bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94-39).

LEGISLATIVE HISTORY OF THE COMMITTEE ON FOREIGN RELATIONS—REPORT OF A COMMITTEE (REPT. NO. 94-37)

Mr. SPARKMAN, from the Committee on Foreign Relations, submitted a report entitled "Legislative History of the Committee on Foreign Relations," 93d Congress, January 3, 1973 to December 20, 1974, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. PASTORE, from the Joint Committee on Atomic Energy: John M. Teem, of Connecticut, to be Assistant Administrator of Energy Research and Development.

Robert W. Fri, of Maryland, to be Deputy Administrator of Energy Research and Development.

James L. Liverman, of Maryland, to be Assistant Administrator of Energy Research and Development.

HOUSE BILL REFERRED

The bill (H.R. 4592) making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 146) authorizing the printing of a revised edition of the booklet entitled "The History and Operation of the House Majority Whip Organization (94th Congress)" was referred to the Committee on Rules and Administration.

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. HELMS:

S. 1190. A bill for the relief of Gerald M. Doherty. Referred to the Committee on the Judiciary.

By Mr. ALLEN (for himself, Mr. SPARKMAN, Mr. MANSFIELD, Mr. MCGEE, and Mr. STENNIS):

S. 1191. A bill to amend the Public Health Service Act to provide for additional medical scholarships to be known as Lister Hill Scholarships. Ordered placed on the calendar.

By Mr. RIBICOFF (for himself and Mr. WEICKER):

S. 1192. A bill to provide one additional permanent district judgeship for the district of Connecticut. Referred to the Committee on the Judiciary.

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

S. 1193. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for reservists and members of the National Guard, under certain conditions, and for other purposes. Referred to the Committee on Armed Services.

By Mr. STAFFORD (by request):

S. 1194. A bill to revise and extend the program authorized by the Developmental Disabilities Services and Construction Act. Referred to the Committee on Labor and Public Welfare.

By Mr. WILLIAM L. SCOTT:

S. 1195. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for amounts spent by an individual to conserve energy used in heating and cooling his home. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S. 1196. A bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical involvement with elected officials on local and State levels of government and with Members of Congress. Referred to the Committee on Labor and Public Welfare.

By Mr. TUNNEY (for himself, Mr. CASE, Mr. MONDALE, and Mr. PHILIP A. HART):

S. 1197. A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling. Referred to the Joint Committee on Atomic Energy.

By Mr. MORGAN:

S. 1198. A bill to reduce temporarily the interest rate on mortgages purchased under the Emergency Home Purchase Assistance Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MOSS:

S. 1199. A bill to authorize the Energy Research and Development Administration to enter into a cooperative agreement with the State of Utah to remove and dispose of uranium mill tailings, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. BELLMON (for himself, Mr. JAVITS, Mr. STENNIS, and Mr. HUDDLESTON):

S. 1200. A bill to establish a program to provide needy urban youth with summer job opportunities on farms, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PACKWOOD (for himself, Mr. MCCLURE, Mr. STEVENSON, Mr. STAFFORD, Mr. BROCK, Mr. BENTSEN, Mr. DOMENICI, Mr. CRANSTON, Mr. BIDEN, Mr. DOLE, Mr. GARN, Mr. BUCKLEY, and Mr. TUNNEY):

S. 1201. A bill to increase the aggregate gross compensation which may be paid to employees in the office of a Senator and to permit funds available for such purpose to be used to purchase or lease additional mechanical office equipment. Referred to the Committee on Appropriations.

By Mr. LAXALT:

S. 1202. A bill granting the consent and approval of Congress to the California-Nevada Interstate Compact. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request):

S. 1203. A bill to amend the Public Health Service Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, the Drug Abuse Office and Treatment Act of 1972, and to revise and extend programs of health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MONTOYA:

S. 1204. A bill for the relief of Leopoldo Augustin Bonati and his wife, Maria Cecilia Ruiz. Referred to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 1205. A bill for the relief of Isle Schweizer and Angela Sharlen Schweizer. Referred to the Committee on the Judiciary.

By Mr. DOLE:

S. 1206. A bill to assure foreign countries that reserve stocks of agricultural commodities stored in the United States under certain conditions shall not be subject to export controls. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SCHWEIKER:

S. 1207. A bill to establish the Federal Energy Production Corporation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. METCALF (for himself, Mr. MANSFIELD, Mr. HUMPHREY, Mr. MOSS, Mr. MCGOVERN, Mr. ABOUREZK, and Mr. HATHAWAY):

S. 1208. A bill to improve the Nation's energy resources. Referred to the Committee on Commerce.

By Mr. CURTIS:

S. 1209. A bill to provide for a 10 per centum reduction in congressional salaries whenever the budget is not balanced. Referred to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

S. 1210. A bill to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, to secure to employees of the Government the right to disclose information which is required by law to be disclosed by agencies. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S. 1211. A bill to provide for studies of malpractice insurance problems among physicians and hospitals. Referred to the Committee on Labor and Public Welfare.

By Mr. CRANSTON (for himself, Mr. TAFT, Mr. BROOKE, Mr. PROXMIRE, and Mr. WILLIAMS):

S. 1212. A bill to extend and amend section 312 of the Housing Act of 1964. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BENTSEN (for himself, Mr. HATHAWAY, and Mr. CRANSTON):

S. 1213. A bill to provide, through tax incentives in the Internal Revenue Code of 1954, that all future employment-based group health insurance plans extend coverage to workers who become unemployed and receive unemployment compensation benefits, with a temporary program financed through a trust fund and a temporary assessment on group health insurance arrangements to cover workers who are currently unemployed and receiving unemployment compensation (or who become unemployed before the applicable health insurance plans are modified to cover them), and for other purposes. Referred to the Committee on Finance.

By Mr. MCCLURE (for himself and Mr. CHURCH):

S. 1214. A bill to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN (for himself, Mr. SPARKMAN, Mr. MANSFIELD, Mr. MCGEE, and Mr. STENNIS):

S. 1191. A bill to amend the Public Health Service Act to provide for additional medical scholarships to be known as Lister Hill Scholarships. Ordered placed on the calendar.

Mr. ALLEN. Mr. President. I am introducing today on behalf of Mr. SPARKMAN. Mr. MANSFIELD, Mr. MCGEE and Mr. STENNIS, and myself the Lister Hill Scholarship Act.

The bill was approved by both the Senate and the House last year as an amendment to the Health Professions Educational Assistance Act of 1974. The provisions of the Lister Hill Scholarship Act were not in controversy, but as a part of the major bill it expired when the Conference Committee did not reach agreement before the adjournment of Congress last December 20.

The bill will provide for 10 federally funded medical scholarships each year and will offer young people in our country increased opportunities to study and engage in the practice of medicine. The scholarships will be administered as a part of the present program of scholarship grants directed by the Secretary of Health, Education and Welfare. Because they will be administered through the existing grants program authorized in section 784 of the Public Health Service Act, they will call for no more new administrative funds and will add only the cost of the scholarships themselves to the cost of the program.

Each grant will be for $6,000 per year, an amount based on the cost to each student of tuition, fees, books, and room and board.

The Lister Hill scholarships will be awarded on a nationwide basis, one in each of the 10 geographical regions of the Department. They will not be awarded on the basis of need, but it is my intention in proposing them that the Secretary will insure that a reasonable number will go to applicants from ghetto or depressed urban areas and from rural areas. It is my hope also that the conditions set forth in the Public Health Service Act and applied by the Secretary will encourage them to practice in these areas.

Another provision of the bill is that recipients of grants will engage in family practice of medicine.

Many years ago Lister Hill said.

The health of a people is their most precious national resource.

An essential element in preserving this national resource is the assurance of trained and qualified health manpower, capable of delivering the highest quality of health care to the people.

And an essential requirement under our democratic system is that this quality health care be available and be shared by all the people.

The unfortunate fact is that though the health system of the United States is in general the finest in the world, quality health care is not always available to those persons living in depressed urban areas or in rural areas.

Such care is a right of every citizen in those areas, and its delivery to them was always a foremost objective of Lister Hill throughout his 46 years of service in the Congress of the United States. It is appropriate that this act has as its primary objective the providing of such care, and that it shall be called the Lister Hill Scholarship Act.

Mr. President, I have cleared this with the assistant majority leader (Mr. ROBERT C. BYRD), and the assistant minority leader (Mr. GRIFFIN). I ask unanimous consent that the bill be placed on the calendar.

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

By Mr. STAFFORD (by request):

S. 1194. A bill to revise and extend the program authorized by the Developmental Disabilities Services and Construction Act. Referred to the Committee on Labor and Public Welfare.

Mr. STAFFORD. Mr. President, today I am introducing, by request, a bill prepared by the administration cited as the "Developmentally Disabled Assistance Act of 1975."

The Subcommittee on the Handicapped will hold a hearing on the extension of the developmental disabilities legislation on next Tuesday, March 18, 1975, for the purpose of considering this bill and S. 462 introduced by Senator RANDOLPH, the very able chairman of the subcommittee, and myself.

The administration's bill is similar in format to the bill passed by the Senate late in the 93d Congress, which did not make its way through conference because the time ran out. The bill, however, does not contain any of the substantive changes which the subcommittee thought advisable after a thorough investigation and review of the existing program.

Mr. President, I ask unanimous consent that the text of the administration's bill be printed in the record at the end of my remarks along with a copy of the letter to Senator JAVITS on December 11 of last year from Secretary Weinberger setting forth the administration's objections to the then-passed developmentally disabled bill. The bill introduced by Senator RANDOLPH and myself, S. 462, is exactly the same bill which the Secretary is commenting on.

I would like to point out to my colleagues, with some pride, that the State of Vermont has not waited for the improvements in the law but has already begun implementing the intent of S. 426. The chairperson of the Vermont Developmental Disabilities Council has informed me that they set forth to implement the intent of the bill and that the concepts set forth in S. 462 work and it is the council's feeling that Vermont's developmentally disabled individuals will be much better served by the new process.

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

S. 1194

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 "Developmentally Disabled Assistance Act of 1975".

TITLE I—GENERAL PROVISIONS

DECLARATION OF PURPOSE AND FEDERAL SHARE

SEC. 100. (a) The purpose of this Act is to improve and coordinate the provision of services to persons with developmental disabilities through (A) grants to assist the several States in developing and implementing a comprehensive and continuing plan for meeting the current and future needs of persons with developmental disabilities; (B) support of interdisciplinary training programs and training demonstration projects at institutions of higher education; and (C) the support of other activities which will contribute to improving the condition of persons with developmental disabilities.

(b) The Federal share with respect to any project assisted under title II of this Act may not exceed 70 percent of the necessary cost thereof as determined by the Secretary.

(c) The Federal share with respect to assistance under title III of this Act may not exceed 70 percent of the necessary cost thereof, as determined by the Secretary, for the fiscal year ending June 30, 1975, 60 per centum of such cost for the fiscal year ending June 30, 1976, and 50 per centum of

such cost for the fiscal year ending September 30, 1977.

(d)(1) The non-Federal share of the cost of any project assisted under this Act shall be provided in cash or in kind, in accordance with rules generally applicable to grants provided by the Department of Health, Education, and Welfare.

(2) Payments of grants under this Act shall be made in advance or by way of reimbursement, and on such conditions as the Secretary may determine.

(3) For the purpose of determining the Federal share with respect to any State, expenditures by a political subdivision thereof or by nonprofit private agencies, organizations, and groups shall, subject to such limitations and conditions the Secretary may by regulation prescribe, be deemed to be expenditures by such State.

DEFINITIONS

SEC. 101. For purposes of this Act—

(1) "Construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of any such buildings (including medical transportation facilities).

(2) "Cost of construction" means the amount necessary for the construction of a project, including architect's fees and the cost of the acquisition of land, but excluding the cost of offsite improvements.

(3) "Design for implementation" means a document prepared by the appropriate State agency or agencies outlining the implementation of the State plan as developed by the State planning council. The design for implementation, shall include details on the methodology of implementation, priorities for spending, a detailed plan for the use of funds provided under this Act, specific objectives to be achieved, a listing of those programs and resources to be utilized, and a method for periodic evaluation of its effectiveness in meeting State plan objectives.

(4) "Developmental disability" means a disability attributable to mental retardation, cerebral palsy, epilepsy, autism, or another neurological condition of an individual found by the Secretary to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual.

(5) "Institution of higher education" has the meaning given it in section 122(c) of the Education Amendments of 1972.

(6) "Nonprofit facility for persons with developmental disabilities", or "nonprofit private institution of higher learning" means a facility for persons with developmental disabilities, and an institution of higher learning which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(7) "Nonprofit private agency or organization" means an agency or organization which is a nonprofit corporation or association or which is owned and operated by one or more of such corporations or associations.

(8) "Secretary" means the Secretary of Health, Education, and Welfare.

(9) "Services for persons with developmental disabilities" means specialized services or special adaptations of generic services directed toward the alleviation of a developmental disability or toward the social, personal, physical, or economic habilitation or rehabilitation of an individual with such a disability, and such term includes diagnosis, evaluation, treatment, personal care, day care, domiciliary care, special living arrangements, training, education, sheltered employment, recreation, counseling of the individual with such disability and of his family, protective and other social and legal services, information and referral services, follow-along services, and transportation services necessary to assure delivery of services to persons with developmental disabilities.

(10) "State" includes the several States, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.

(11) "Title" when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the annual rental does not exceed 4 percent of the value of the land) as the Secretary finds sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purposes of construction and operation of the project.

AUDIT

SEC. 102. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

TITLE II—DEMONSTRATION AND TRAINING GRANTS FOR UNIVERSITY-AFFILIATED FACILITIES

DEMONSTRATION AND TRAINING GRANTS

SEC. 201. (a) For the purposes of assisting institutions of higher education to contribute more effectively to the solution of complex health, education, and social problems of children and adults suffering from developmental disabilities, the Secretary may, in accordance with the provisions of this title, make grants to cover costs of administering interdisciplinary training programs and other demonstration training programs for personnel who are serving, or preparing to serve, persons with developmental disabilities. Such programs may be directed toward established disciplines as well as new kinds of training to meet critical shortages in the care of persons with developmental disabilities.

(b) For the purpose of making grants pursuant to this section, there are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, $4,250,000.

APPLICATIONS

SEC. 202. Applications for grants under this title may be approved by the Secretary, only if the applicant is a college or university operating a program of the type described in section 201(a), or is a public or nonprofit private agency or organization operating such a facility. In considering applications for such grants, the Secretary shall give priority to any application which shows that the applicant has made arrangements, in accordance with regulations of the Secretary, for a junior college or other community-based educational or health facility to participate in the programs for which the application is made.

MAINTENANCE OF EFFORT

SEC. 203. Applications for grants under this title may be approved by the Secretary only if the application contains or is supported by reasonable assurances that the grants will not result in any decrease in the level of State, local, and other non-Federal funds for services for persons with developmental disabilities and training of persons to provide such services which would (except for such grant) be available to the applicant, but that such grants will be used to supplement, and, to the extent practicable, to increase the level of such funds.

TITLE III—GRANTS FOR PLANNING, PROVISION OF SERVICES, AND CONSTRUCTION AND OPERATION OF FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

AUTHORIZATION OF APPROPRIATION

SEC. 301. For the purpose of making grants to carry out this title, there are authorized to be appropriated $30,875,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years.

STATE ALLOTMENTS

SEC. 302. (a)(1) From the sums appropriated pursuant to section 301 for each fiscal year, the several States shall be entitled to allotments determined, in accordance with regulations, on the basis of (A) the population, (B) the extent of need for services and facilities for persons with developmental disabilities, and (C) the financial need of the respective States; except that the allotment of any State (other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands) for any such fiscal year shall be not less than $200,000 and the allotment of the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands shall be not less than $50,000.

(2) In determining, for purposes of paragraph (1), the extent of need in any State for services and facilities for persons with developmental disabilities, the Secretary shall take into account the scope and extent of the services specified, pursuant to section 304(b), in the State plan of such State approved under this title.

(3) Sums allotted to a State for a fiscal year and designated by it for construction, renovation, or modernization which are unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year and for such year only, in addition to the sums allotted to such State for such fiscal year.

(b) Whenever a State plan is approved in accordance with section 304 which provides for participation of more than one State agency in administering or supervising the administration of designated portions of such plan, the State may apportion its allotment among such agencies in a manner which is reasonably related to the responsibilities assigned to such agencies in carrying out the purposes of this title, subject to the approval of the Secretary. Funds so apportioned to State agencies may be combined with other State or Federal funds authorized to be expended for other purposes, provided the purposes of this title will receive proportionate benefit from the combination.

(c) Whenever a State plan approved in accordance with section 304(c) provides for cooperative or joint effort between States or between or among agencies, public or private, in more than one State, portions of funds allotted to one or more such cooperating States or agencies may be combined in accordance with the agreements between the agencies and States involved.

(d) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which it is allotted shall be available for reallotment by the Secretary on such date or dates as he may fix (but not earlier than 30 days after he has published notice of his intention to make such reallotment in the Federal Register), to other States with respect to which such a determination has not been made, in proportion to the original allotments of such

States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment under subsection (a) for such fiscal year.

(e) The Secretary shall administer grants under this title in accordance with policies used generally to administer grants throughout the Department of Health, Education, and Welfare.

NATIONAL COUNCIL ON SERVICES AND FACILITIES FOR THE DEVELOPMENTALLY DISABLED

SEC. 303. (a)(1) The National Advisory Council on Services and Facilities for the Developmentally Disabled (hereinafter referred to as the "Council"), which was established pursuant to section 133 of the Developmental Disabilities Services and Facilities Construction Act, shall continue to exist for the period for which appropriations are authorized under this Act. The Council shall consist of twenty members, not otherwise in the regular full-time employ of the United States, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service.

(2) The Secretary shall from time to time designate one of the members of the Council to serve as Chairman thereof.

(3) The members of the Council shall be selected from leaders in the fields of service to the mentally retarded and other persons with developmental disabilities, including leaders in State or local government, in institutions of higher education, and in organizations representing consumers of such services. At least five members shall be representative of State or local public or nonprofit private agencies responsible for services to persons with developmental disabilities, and at least five shall be representative of the interests of consumers of such services.

(b) Each member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(c) It shall be the duty and function of the Council to (1) advise the Secretary with respect to any regulations promulgated or proposed to be promulgated by him in the implementation of this title, and (2) study and evaluate programs authorized by this Act with a view of determining their effectiveness in carrying out the purposes for which they were established.

(d) The Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such statistical and other pertinent data prepared by or available to the Department of Health, Education, and Welfare as it may require to carry out such functions.

(e) Members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but at rates not exceeding the daily equivalent of the rates provided for GS-18 of the General Schedule for each day of such service (including travel time), and, while so serving away from their homes or regular places of business, they 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.

STATE PLANS

SEC. 304. (a) For each fiscal year in which a State makes application to participate in programs under this title it shall develop, submit, and obtain the approval of the Secretary of an annual State plan which is a specific goal oriented plan, which shall include provisions designed to—

(1) reduce and eventually eliminate inappropriate institutional placement of persons with developmental disabilities;

(2) improve the quality of care, habilitation, and rehabilitation of persons with developmental disabilities for whom institutional care is appropriate;

(3) provide early screening, diagnosis, and evaluation of developmentally disabled infants and preschool children (including maternal care, developmental screening, home care, infant and preschool stimulation programs and parent counseling and training);

(4) provide counseling, program coordination, follow-along services, and protective services on behalf of developmentally disabled adults;

(5) support the establishment of community programs as alternatives to institutionalization, designed to provide services for the care and habilitation of persons with developmental disabilities, which programs utilize, to the maximum extent feasible, the resources and personnel in related community programs to assure full coordination with such programs and to assure the provision of appropriate supplemental health, educational or social services for persons with developmental disabilities;

(6) protect the human rights of all persons with developmental disabilities, especially those without familial protection; and

(7) provde for interdisciplinary intervention and training programs for multihandicapped individuals.

Such annual State plan shall be initially submitted within 180 days after the date of enactment of this Act.

(b) In order to be approved by the Secretary under this section, a State plan for the provision of services and facilities for persons with developmental disabilities shall—

(1) designate—

(A) a State planning and advisory council, which shall be responsible for submitting revisions of the State plan and transmitting such reports as may be required by the Secretary, and which shall include representatives of each of the principal State agencies and representatives of local agencies and nongovernment organizations and groups concerned with services for the developmentally disabled: *Provided*, That at least one-third of the membership of such council shall consist of representatives of consumers of such services;

(B) the State agency or agencies (except as provided in clause (C)) which shall administer and supervise the administration of the State plan, and if there is more than one such agency, the portion of such plan which each will administer (or the portion the administration of which each will supervise); and

(C) a single State agency as the sole agency for administering or supervising the administration of grants for construction, renovation, or modernization under the State plan;

(2) describe the quality, extent, and scope of services being provided or to be provided to meet the goals specified in subsection (a) of this section;

(3) describe (A) the quality, extent, and scope of services being provided, or to be provided, to persons with developmental disabilities under such other State plans for Federally assisted State programs as may be specified by the Secretary, which shall in any case include education for the handicapped, vocational rehabilitation, medical assistance, social services, maternal and child health, crippled children's services, and comprehensive health and mental heatlh plans, and (B) how funds allotted to the State in accordance with section 302 will be use to complement and augment rather than duplicate or replace services and facilities for persons with developmental disabilities who are eligible for Federal assistance under such other State programs;

(4) provide for the maximum utilization of all available community resources including volunteers serving under the Domestic Volunteer Service Act of 1973 (87 Stat. 394) and other appropriate voluntary organizations;

(5) set forth policies and procedures for the expenditure of funds under the plan, which, in the judgment of the Secretary; are designed to assure effective continuing State planning, evaluation, and delivery of services (both public and private) for persons with developmental disabilities;

(6) contain assurances satisfactory to the Secretary that (A) the funds paid to the State under this title will be used to make a significant contribution toward strengthening services for persons with developmental disabilities in the various political subdivisions of the State in order to improve the quality, scope, and extent of such services; (B) part of such funds may be made available to other public or nonprofit private agencies, institutions, and organizations; (C) such funds will be used to supplement and, to the extent practicable, to increase the level of funds that would otherwise be made available for the purposes for which the Federal funds are provided and not to supplant such non-Federal funds; and (D) there will be reasonable State financial participation in the cost of carrying out the State plan;

(7) provide that services and facilities furnished under the plan for persons with developmental disabilities will be in accordance with standards prescribed by regulations of the Secretary pursuant to this Act;

(8) provide such methods of administration, including methods relating to the establishment and maintenance of personnel standards and selection and advancement of personnel on a merit basis, as are found by the Secretary to be necessary for the proper and efficient operation of the plan (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods);

(9) provide assurances that the State planning and advisory council is assigned adequate personnel in order to insure that such council has the capacity to fulfill its responsibilities in the areas of planning, resource development, and program evaluation;

(10) provide that the State planning and advisory council shall periodically, but not less often than annually, review and evaluate the State plan and submit appropriate modifications to the Secretary for his approval;

(11) provide that the State agencies designated pursuant to paragraph (1) of this subsection will make such reports, in such form and containing such information, as the Secretary or the State planning and advisory council may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of such reports;

(12) provide that special financial and technical assistance shall be given to areas of urban or rural poverty in providing services and facilities for persons with developmental disabilities who are residents of such areas;

(13) describe the methods to be used to

assess the effectiveness and accomplishments of the State in meeting the needs of persons with developmental disabilities in the State;

(14) specify the maximum amount of, and the percentage of the State's allotment under section 302 for any year which is to be devoted to construction, renovation, or modernization of facilities, which percentage shall be not more than 10 percent of the State's allotment or such lesser percentage as the Secretary may from time to time prescribe;

(15) provide reasonable assurance that adequate financial support will be available to complete the construction of, and to maintain and operate when such construction is completed, any facility the construction of which is assisted by funds made available under this title;

(16) if Federal funds are allotted for construction, renovation, or modernization under this title, outline a program of construction, renovation, or modernization of facilities for the provision of services for persons with developmental disabilities which—

(A) is based on a Statewide inventory of existing facilities and survey of need;

(B) sets forth the relative need, determined in accordance with the regulations prescribed by the Secretary for the several projects included in the construction, renovation, or modernization program; and

(C) assigns priority to the construction, renovation, or modernization of projects, to the extent that financial resources available therefor and for maintenance and operation permit such priority, in the order of relative need, taking into account the requirement that any such construction, renovation, or modernization complies with any standards prescribed pursuant to the Architectural Barriers Act of 1968;

(17) provide for an opportunity for hearing before the State agency to every applicant for a construction, renovation, or modernization project;

(18) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursements of, and accounting for, funds paid to the State under this title in accordance with regulations the Secretary shall prescribe;

(19) provide for the implementation of an evaluation system compatible with the system developed under section 309 of this Act by October 1, 1977;

(20) provide, to the maximum extent feasible, an opportunity for prior review and comment by the State planning and advisory council of all State plans in the State which relate to programs affecting persons with developmental disabilities;

(21) provide that personnel assigned to the State planning and advisory council shall be solely responsible to such council;

(22) provide that all relevant information concerning any programs which may affect persons with developmental disabilities shall be made available by projects and State agencies to the State planning council; and

(23) contain such additional information and assurances as the Secretary may determine to be necessary to carry out the provisions and purpose of this part.

(c) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (b) of this section. The Secretary shall not disapprove a State plan unless he has provided reasonable notice and opportunity for a hearing to the State.

WITHHOLDING OF PAYMENTS

SEC. 305. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to a State planning and advisory council and a State agency or agencies designated pursuant to section 304(b)(1) finds—

(1) that any such State agency or agencies are not complying with the provisions required by section 304(b) to be included in the State plan, or with regulations of the Secretary;

(2) that any requirement set forth in an application submitted under section 304 and approved by the Secretary is not being or cannot be carried out with respect to the project for which such application was submitted; or

(3) that adequate funds are not being provided annually for the direct administration of the State plan,

the Secretary may forthwith notify such State council and State agency or agencies that no further payments will be made from allotments under this title for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph (1), (2), or (3) of this subsection as the Secretary may determine to be appropriate under the circumstances.

(b) Whenever the State planning and advisory council finds that a State agency administering funds pursuant to the implementation design is failing to comply with such design, the State planning and advisory council shall notify the Governor and the Secretary, who may provide notice, conduct a hearing, and withhold payments pursuant to subsection (a) of this section.

PAYMENTS TO THE STATES FOR PLANNING, ADMINISTRATION AND SERVICES

SEC. 306. For each State's allotment for a fiscal year under section 302, the State shall be paid the Federal share of its expenditures incurred during such year under its State plan approved under this title. Such payments shall be made from time to time in advance on the basis of estimates by the Secretary of the sums the State will expend under the State plan, except that such adjustments as may be necessary shall be made on account of previously made underpayments or overpayments under this section.

REGULATIONS

SEC. 307. (a) The Secretary shall prescribe general regulations applicable to all the States to carry out the purposes of this title.

(b)(1) Regulations promulgated by the Secretary may be waived upon approval of an application submitted by a State for a project to be completed by two or more political subdivisions or public or nonprofit private agencies, or by a combination thereof, which is consistent with applicable law and regulations promulgated by the Secretary for such purposes to provide services to persons with developmental disabilities by combining funds received from other Federal, State, or local programs to the extent that such regulations would without waiver impede the implementation of such project. Such waivers shall be reviewed annually by the Secretary and issued on a case-by-case basis and for a specified period of time, but in no case longer than thirty-six months. Renewal of such waivers may be granted only after a full evaluation of the impact of such waivers by the Secretary.

(2) The Secretary shall publish in the Federal Register the fact that an application for waiver under paragraph (1) has been submitted by a State, and he shall not approve or disapprove such application for a period of not less than 60 nor more than 90 days after the date of such publication.

NONDUPLICATION

SEC. 308. (a) In determining the amount of any payment for the construction, renovation, or modernization of any facility under a State plan approved under this title, there shall be disregarded (1) any portion of the costs of such construction, renovation, or modernization which are financed by Federal funds provided under any provision of law other than this title, (2) the amount of any non-Federal funds provided under any provision of law other than this title, and (3) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds.

(b) In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved under this title, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any provision of law other than this title, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds.

EVALUATION OF DEVELOPMENTAL DISABILITIES SERVICES

SEC. 309. (a)(1) The Secretary, in consultation with the National Council, shall, by February 1, 1977, develop (A) a design of a comprehensive system for the evaluation of services provided to individuals with developmental disabilities and (B) a time-phased plan for the implementation by the States of such system which will specify a minimal evaluation system to be implemented by all States by October 1, 1977, and which will further specify phases of development leading to the establishment in each State of such comprehensive evaluation system. The comprehensive system shall provide guidelines and alternative methods for the development of State evaluation systems for federally supported services delivered within each State to individuals with developmental disabilities.

(2) Not later than February 1, 1977, the Secretary shall submit to the Congress a report on the evaluation system design developed pursuant to paragraph (1). Such report shall include an estimate of the costs to the Federal Government and the States of developing and implementing such system.

(b) The Secretary, in consultation with the National Council, may make grants to, and enter into contracts with, public or private organizations or individuals to conduct feasibility studies to assist in developing the evaluation system required under subsection (a).

GRANTS FOR SPECIAL PROJECTS FOR SERVICES TO PERSONS WITH DEVELOPMENTAL DISABILITIES

SEC. 310. (a) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there are authorized to be appropriated $18,500,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years.

(b)(1) The Secretary, after consultation with the National Council, shall make grants to States and public or nonprofit agencies and organizations to pay part or all of the cost of special projects and demonstrations (and research and evaluation in connection therewith) for (A) establishing programs which hold promise of expanding or otherwise improving services to persons with developmental disabilities (especially those who are disadvantaged or multihandicapped), and (B) for carrying out projects of special national significance including, but not limited to—

(i) demonstration projects for integrating services for the developmentally disabled population,

(ii) demonstration projects to coordinate and utilize all available community resources,

(iii) projects designed to improve the administration of, and the quality of care provided under, programs for individuals with developmental disabilities, and

(iv) projects to demonstrate new or improved techniques for the provision of services for such individuals.

(2) From the amount appropriated pursuant to subsection (a), the Secretary may reserve 30 per centum thereof for the purpose of making grants for projects described in subsection (b)(1)(B).

(3) Grants under this section may be used

to support only the initial three years of any project or demonstration.

(c) A copy of each application for a grant under this section shall be submitted by the applicant to the appropriate State planning and advisory council simultaneously with submission to the Secretary. The Secretary shall not approve such an application until the State planning and advisory council has had an opportunity, for a period of at least thirty days, to review and make comments on the application to the Secretary.

(d) Projects, or a component of any project funded under this section, shall not be eligible for funding under section 304 of the Rehabilitation Act of 1973 or section 303 (a) (2) of the Public Health Service Act.

REPEAL

SEC. 311. Effective 90 days after the enactment of this Act, parts B and C of the Developmental Disabilities Services and Facilities Construction Act are repealed.

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., December 11, 1974.

Hon. JACOB K. JAVITS,
Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: This is to bring to your attention this Department's concern over several provisions in the Senate version of H.R. 14215 regarding developmental disabilities, which will soon be subject to Conference Committee action. This bill would provide for an extension of, and major revisions in, the program administered by this Department providing services to persons with developmental disabilities (i.e., mental retardation, epilepsy, cerebral palsy, and other neurological conditions), as well as establishing rigorous standards to be met by residential and community facilities providing services to such persons.

Title I of the bill would revise and extend the Federal program for persons with developmental disabilities, the authority for which, under the Developmental Disabilities Services and Facilities Construction Act of 1970 (P.L. 91–517), expired June 30, 1974. This program provides grants directly to organizations conducting special demonstration projects as well as to the States on a formula basis. In general, we have been pleased with the operation of this program which has effectively served to coordinate and integrate the delivery of services to persons with developmental disabilities. The commitment of the Administration to the program is demonstrated in its bills, H.R. 12892 and S. 3011, which are very similar to the House version of H.R. 14215. However, some of the provisions in the Senate version cause us very serious concern. I would like to bring these problems to your attention and respectfully request your assistance in obtaining a satisfactory measure in Conference.

Briefly, the provisions in Title I of the Senate bill which are of concern to us are the following:

1. Section 4 would establish in the Office of the Secretary an Office of Development Disabilities. Presently, the Developmental Disabilities program is administered by the Division of Developmental Disabilities in the Rehabilitation Services Administration, which is part of the Social and Rehabilitation Service. While we agree that the time may have come for the Developmental Disabilities program to assume a more visible role as a focal point within the Department for persons with developmental disabilities, we object strongly to any organizational restrictions mandated by legislation. Such restrictions seriously limit the flexibility and management capability, not only of this Secretary, but of all future Secretaries.

2. Section 111 would increase the authorizations for State allotments from the current level of $32 million for FY 1974 to $50 million for FY 1975. The authorization would increase substantially over the next five years to a level of $110 million for FY 1979. In addition, the proposed special projects authority would authorize an appropriation of $17.5 million for FY 1975, gradually increasing to $27.5 million for FY 1979. Because of the clear need to restrain any increase in Federal outlays, we object to these excessive authorization levels in the Senate bill and would prefer instead that the bill authorize the appropriation of such sums as may be necessary.

3. Section 116 would continue the requirement in present law that the Secretary approve all construction grants awarded from funds allocated to States. We believe that Federal approval of construction grants is an unnecessarily costly step, in terms of time and money, in the construction of needed community facilities. For this reason, the Administration bill, as well as the bill passed by the House, would have removed the requirement for Federal approval of construction grants. Such a deletion of the requirement in present law is in accord with the Administration's objective of returning responsibility to the States and localities whenever it is appropriate to do so.

4. Section 119(a) would require the Secretary to publish final regulations to implement the new Act within ninety days of enactment. We agree that it is essential that regulations implementing the new Act be promulgated as swifty as possible, and we fully intend to do so. However, the revisions in the Developmental Disabilities program contemplated in the Senate bill are significant and complex, and the promulgation of regulations to implement them will be a major undertaking.

It simply will not be possible to publish final regulations that give adequate and complete guidance to States and other concerned entities within ninety days. Because we appreciate the Senate's concern that the regulations be published in a timely fashion, we propose that an interim deadline of sixty days from enactment be set for the publication of proposed rulemaking, with a deadline of 180 days from enactment for the publication of final regulations.

5. Section 121 would require the Secretary to develop within eighteen months from enactment "an evaluation system and plan for implementation of such system which shall provide a model for the development of State evaluation systems for all services delivered within the States to persons with developmental disabilities." Even without the restrictive eighteen-month time limitation, the scope of the model system that would be required by this section is so broad, covering all services in each State affecting the developmentally disabled, as to make it extremely complex and difficult to develop. To accomplish the objective of this provision—the development of an evaluation capability in the States—through more feasible means, we recommend that the Secretary be required to develop, by February 1, 1977, a design for a comprehensive evaluation system to be implemented by the States in phases. Each State receiving funds under this act would be required to implement the first phase of the system by October 1, 1977.

6. Section 122 would establish a new Special Project grant authority. The Senate bill also continues (under Section 112(e)) the separate authority for projects of national significance to be funded from a set-aside of up to 10% of the State-allotment funds. Apart from the disadvantages of maintaining two separate project grant authorities, we are opposed at this time to the increased outlays that could result from the additional authority for special projects under Section 122.

Title II of H.R. 14215, passed by the Senate on October 1, 1974, would establish rigorous standards to be met by residential and community facilities providing care for developmentally disabled persons. All Federal funds to any such facility which does not meet the Title II standards within five years of the enactment of H.R. 14215 would be terminated.

There is no doubt that Title II addresses an area of clear and urgent need. Conditions in facilities serving developmentally disabled persons have resulted in many cases in the delivery of inadequate services to such persons. Nevertheless, Title II as now drafted poses such major problems that we urge that Parts C and D be deleted and that Parts A and B be significantly amended along the lines suggested in the annexed paper, which was provided to committee staffs on October 24, 1974.

In summary, while we are generally sympathetic to the goals of the Senate bill, we feel that our recommendations would vastly improve it.

We are advised by the Office of Management and Budget that there is no objection to the presentation of these views from the standpoint of the Administration's program.

Sincerely,

CASPAR WEINBERGER,
Secretary.

HEW COMMENTS ON TITLE II OF THE SENATE-PASSED VERSION OF H.R. 14215

Title II of H.R. 14215, passed by the Senate on October 1, 1974, would establish rigorous standards to be met by residential and community facilities providing care for developmentally disabled persons. All Federal funds to any such facility which does not meet the Title II standards within five years of the enactment of H.R. 14215 would be terminated.

There is no doubt that Title II addresses an area of clear and urgent need. Conditions in facilities serving developmentally disabled persons have resulted in many cases in the delivery of inadequate services to such persons. Nevertheless, Title II as now drafted poses such major problems that we urge that Parts C and D be deleted and that Parts A and B be significantly amended along the lines suggested below.

Our experience in developing and implementing the regulations establishing standards for Intermediate Care Facilities for the Mentally Retarded (ICF–MR's), published on January 17, 1974, indicates that they represent the limit to what realistically can be expected at this time of the networks of facilities serving the developmentally disabled. We believe that Title II, in going beyond the standards imposed in our ICF–MR regulations, would make unrealistic demands on the thousands of agencies and facilities which provide services to developmentally disabled persons and other community residents with similar needs. Such demands could result in a major disruption in the delivery of services to the developmentally disabled and create considerable confusion and uncertainty for, and in many cases termination of services provided by, individual facilities and agencies. Because of these concerns, we recommend that the standards and other requirements proposed in Title II be modified so as to incorporate the standards imposed by our ICF–MR regulations, and that they be made to apply only to ICF–MR's participating in the Medicaid program. We have indicated in the attached paper the provisions which we believe should be modified to effect these ends.

The Department is, of course, currently involved in a major effort to enforce the Federal ICF–MR standards, which we believe largely implement the same objectives as Title II of H.R. 14215. The ICF–MR standards relate to medical care, fire safety, physical environment and sanitation. They aim at improving the care and living conditions of residents of ICF–MR's and will have a sub-

stantial impact on the well-being of the many thousands of developmentally disabled persons who reside in ICF–MR's. Included in the ICF regulations, which are based on those proposed by the Accreditation Council for Facilities for the Mentally Retarded of the Joint Commission on Accreditation of Hospitals, are the following major requirements:

Physicians must evaluate ICF patients on admission to certify that ICF care is necessary and appropriate, and a treatment plan must be established for each patient;

Physicians must evaluate patients care and status regularly after admission;

Independent professional review of each patient's care must be carried out at least annually to assure that all patients are continuing to receive appropriate and necessary care;

ICF health services must be supervised by a fulltime Registered Nurse or a Licensed Practical Nurse;

ICF's must provide rehabilitative, health, and social services as needed, including organized activity programs; and

ICF's for the mentally retarded must provide active treatment and a full range of professionally developed and supervised activities and therapies to promote capabilities for independent living and returning residents to the community.

The ICF–MR standards were issued under Title XIX of the Social Security Act. Consequently, they apply to all ICF–MR's certified for Medicaid reimbursement. Implementation of the standards must be completed by March 1977. This phase-in period will allow many facilities to complete the expensive and time-consuming renovations which the regulations will necessitate. Each intermediate care facility approved to participate in Medicaid must, no later than March 1975, have a detailed plan for meeting the requirements by 1977. If it does not progress in accordance with that plan it will be barred from continued participation in the Medicaid program.

Because the requirements in Title II are not related to those in the ICF–MR regulations or in any present law, they duplicate and conflict with the ICF–MR requirements. The enactment of Title II would therefore interfere with the considerable effort already underway to implement and comply with the Medicaid requirements. Morever, Title II would have a significant impact on other aspects of the Medicaid program, which accounts for a significant share of the Federal financial assistance currently being spent on persons with developmental disabilities. The proposed legislation has not taken this impact into account.

We are concerned that a program impacting so heavily on the Medicaid program and on the operations of the Social Security Administration would not have received consideration by and approval of the Senate Finance Committee, which has jurisdiction over the legislation which affects such programs, or by the House Ways and Means Committee, which, in spite of adoption of the Hansen Report, still retains jurisdiction over the Social Security Administration.

Finally, we are particularly concerned with the inclusion of Parts C and D in Title II as required alternate standards to those under Part B. The inclusion of detailed requirements in statute will create difficulty in the event that new forms of service delivery necessitate changes. In addition, much of the language in the section is unenforceable because it is only admonitory in nature. Moreover, it appears to require that future JCAH standards, whatever they may be, will become applicable by virtue of these parts without further legislative or administrative action. This open-ended commitment to standards developed by a non-governmental body is a bad precedent in itself and totally unjustified by the need to improve conditions for the developmentally disabled.

In summary, the ICF Title XIX standards accomplish the objectives of this title within a shorter time frame through language which we feel can be enforced and, if necessary, defended in court. We strongly urge the deletion of Parts C and D because of their open-ended nature, their excessive detail, and their lack of enforceability. We urge amendment of Parts A and B to keep them within realistic limits and to make them apply only to ICF–MR's participating in Medicaid. The Department will have under constant review the opportunities for strengthening our regulations and extending their ambit to community facilities and will be happy to consult with the Congress as those opportunities become apparent.

The comments which follow provide recommended modifications for Parts A and B of Title II in line with the Department's proposal.

TITLE II—PARTS A AND B

SECTION 201—DEFINITIONS

Summary

Section 201 includes definitions for terminology used in Title II.

Discussion

If the Department proposal to narrow the scope of Title II standards to ICF–MR's participating in the Medicaid program is adopted, many of the definitions in this section could be deleted or modified. Even in its present form, however, many of the definitions in this section are incomplete or vague and thus cannot provide useful guidance to facilities or individuals. For example, the definitions fail to include the terms "community agency," "community facility" and "program for community care," although these terms are critical in understanding Sections 204, 207 and 210. There *are* definitions of the terms "agency" and "community"; however, these are so broad that combining the two would lead to the inclusion of any program providing services to the developmentally disabled whether as part of the general population or as part of a special service group.

In addition, the term "program coordinator" is defined in such vague terms that it could include staff ranging from the unskilled to the highly skilled.

Department position

Delete all definitions which would not pertain to ICF–MR's participating in the Medicaid program.

Technical amendment

Define the term "program coordinator" to specify the degree of training required for individuals serving in that capacity.

SECTION 202—NATIONAL ADVISORY COUNCIL ON STANDARDS FOR RESIDENTIAL AND COMMUNITY FACILITIES FOR MENTALLY RETARDED AND OTHER PERSONS WITH DEVELOPMENTAL DISABILITIES

Summary

Section 202 establishes a National Advisory Council for Residential and Community Facilities which shall (1) advise the Secretary with respect to regulations promulgated by him for the implementation of the provisions of Title II, (2) study and evaluate the provisions of Title II to determine their effectiveness, (3) assist the Secretary in developing performance criteria to evaluate standards pursuant to Part B and Section 121 of S. 3378, and (4) develop recommendations for modifications in the standards established under Parts C and D of Title II.

Discussion

Section 202 creates a council separate and distinct from the National Council on Services and Facilities for the Developmentally Disabled proposed in Section 113 of the bill. Such a proliferation of advisory bodies impedes effective, coordinated action.

Cost impact of section 202

The administrative expenses for the council (travel, per diem, reproduction of reports, site visits, etc.) could range from $100,000 to $250,000. This does not include an estimated $60,000 in staff support.

Department position

Delete section and transfer functions of the proposed National Advisory Council to the National Council proposed by Section 113.

Technical amendment

None.

SECTION 203—ASSESSING COMPLIANCE WITH STANDARDS

Summary

Section 203 specifies a number of actions States must take (including submission of a State plan) to assure the Secretary that facility and agency plans to achieve compliance are being developed and implemented. The Secretary shall conduct an independent compliance survey and report his findings to the Congress.

Discussion

The State plan required by Section 203 overlaps the extensive State plan required in Section 114 and also duplicates Title XIX requirements in some respects. The proliferation of State requirements, each slightly different, can only cause confusion.

Department position

Delete.

Technical amendment

None.

SECTION 204—GRANTS TO ASSIST COMPLIANCE

Summary

Section 204 authorizes the Secretary to make grants to assist States in bringing publicly operated and federally assisted residential or community facilities and agencies into compliance with the Title II standards.

Discussion

The cost impact of this section (with 75% Federal matching) would be significant (see below). In addition, this section includes no specific criteria to guide the Secretary in his awarding of grant funds. It also neglects to specify whether such funds are available only where other sources of financial support are unavailable.

This section would represent a sharp departure from present Federal policy with respect to the upgrading of facilities necessitated by the publication of Federal standards. Currently such upgrading is paid for in several ways: (1) by the State, if it is a State institution, (2) by the facility, if it is a private facility, and (3) by portions of Medicare and/or Medicaid reimbursements which are attributable to the cost of a facility's capital expenditures. We see no reason why such a departure from current policy is desirable or justifiable. The 75% FFP would benefit those facilities which are currently below standard. Facilities and agencies which have already spent a large sum in upgrading to meet Federal standards would, in effect, be disadvantaged.

Cost Impact of Section 204

A conservative estimate would be $1 million per residential institution over 5 years. While the number of facilities affected by Title II is unknown, for the purpose of preparing cost estimates we estimate that at least 6,000 facilities are involved. Thus, a minimum estimate of the cost of implementing Title II is $6 billion. This total would be reduced to approximately $1.250 billion if only residential facilities which provide medical services (facilities at the ICF level) received the financial assistance; however, this lower figure does not take into account

thousands of facilities providing personal care and thousands of community service agencies, all of which would be affected by Title II.

Examples of the estimated cost of bringing individual residential (ICF level) facilities up to the ICF standards are as follows:

Partlow, Ala., $22.5 million (Construction only): Forest Haven, Md., $8.5 million; and Gracewood, Ga., $2.0 million.

Department Position

Delete.

Technical Amendment

None.

SECTION 205—MAINTENANCE OF EFFORT

Summary

Section 205 would permit "Federal assistance payment authorized under any Federal law" to "publicly operated or assisted facilities for the developmentally disabled only if" the facility provides evidence that such payments have not resulted in nor will result in any decrease in per capita State and local expenditures for services for the developmentally disabled which would otherwise be available to the facility. It would also require the submission of detailed expenditure reports by such facilities and the submission of an annual Departmental report to Congress outlining the status of compliance with this provision.

Discussion

The Department has no objection to the concept of maintenance of effort with respect to expenditures for the developmentally disabled. Such requirements are currently and have been long utilized in the Medicaid and other programs to assure that new Federal monies will augment and not replace current State expenditures and thereby improve the quality, scope and amount of services rendered.

We believe that the intent of Section 205 has been effectively met by existing Title XIX law (Section 1905(d)) which requires States to maintain expenditures for ICF-MR's. Section 1905(d) (which was Section 299 of P.L. 92-603) expires as of January 1, 1975. The Senate Finance Committee Report on H.R. 1 (P.L. 92-603) makes clear that Congressional intent does not view perpetual maintenance of effort obligations of the States as desirable. We agree with the intent of the Senate Finance Committee Report on this subject.

There are several other problems with Section 205 as it is presently constructed:

(1) Section 205 specifies that the term "base year" means "the most recent fiscal year for which reliable fiscal data is available." This term is so lacking in specificity as to render enforcement of the provision meaningless.

(2) Section 205 assigns the responsibility for maintenance of effort to the individual facility. We believe it is administratively infeasible for a facility to be held responsible for assuring that State payments to the facility do not decrease. In addition, we believe it is more appropriate to assure that *total* State expenditures for a specified activity do not decrease than to tie State funds to specific facilities. In addition, we believe that the States should have flexibility in determining the allocation of their resources among the various facilities for the developmentally disabled and would therefore oppose any provision which would restrict State discretionary spending among such facilities.

(3) It is possible that Section 205 will not have its desired effect inasmuch as there is no sanction for *States* which fail to maintain total current expenditures for the developmentally disabled. Presumably, if a State or locality wished to discontinue or decrease funding for a particular facility such action would render that *facility* ineligible for any direct Federal assistance. However, it would not adversely affect any other facility in the State.

(4) Section 205 uses as a sanction "Federal assistance payments authorized under any Federal law." We believe this term is so broad in scope as to be administratively infeasible.

(5) Section 205 would, we believe, establish an undesirable precedent in requiring the Department to review expenditure reports of every publicly assisted facility serving the developmentally disabled and to report to the Congress thereon.

(6) The major portion of the developmental disability *service* funds currently available to the States is available under the Medicaid ICF-MR program; the developmental disabilities bill will not alter this situation. The Federal matching nature of the Medicaid program will tend to assure the continuance of State fiscal effort inasmuch as Federal funds are not available until State funds have been expended. Thus, we believe that maintenance of effort requirements are unnecessary with respect to institutional services for the developmentally disabled because the Medicaid program already provides sufficient incentive for States to finance care for the institutionalized developmentally disabled population. In addition, the ICF-MR program under Medicaid includes facilities which constitute the majority of facilities which are the target of Section 205; we believe it is unnecessary to go beyond this group of facilities to meet the objective of Section 205.

Departmental Position

Oppose.

Technical Amendment

None.

SECTION 206—WITHHOLDING OF GRANTS

Summary

Section 206(a) would authorize withholding of all Federal payments (indirect or direct) to any program of community care or residential facility for individuals with developmental disabilities unless it meets the Title II standards within 5 years.

Section 206(b) would require the Social Security Administration to reserve and administer all funds to which any individual would otherwise be entitled to have paid on his behalf to any vendor of residential services or program of community care, public or private.

Discussion

Our principal concern with Section 206(a) is that it could result in a major disruption in the delivery of services to the developmentally disabled and to others in facilities which receive Federal reimbursement for services rendered. Such disruption would occur, first, because Section 206(a) would create considerabble confusion and uncertainty for both States and individual facilities and agencies which are currently in the midst of planning for and implementing the existing Federal ICF standards. We believe that States and facilities should not be further burdened with the task of enforcing additional standards until the successful completion of the ICF standard enforcement effort.

In addition, because Section 206(a) would apply to facilities receiving Medicare and medicaid reimbursement, it would create hardships for the nondevelopmentally disabled populations receiving services in such facilities. In effect, which complied with Title XVIII-XIX standards but not the new standards to be promulgated under Title II of S. 3378, would lose Medicare and Medicaid funds for all patients. Such a cut-off of Federal funds would means that the patients of facilities would no longer reside in such facilities unless alternative sources of funding could be found.

We believe that the withholding of *all* Federal funds from institutions and agencies not meeting standards in five years would represent an extreme measure. It would apply to so many facilities (schools, community mental health centers, etc.) and so many sources of Federal funds (e.g., even SSI benefits could be included in the scope of the provision) that it would create an overwhelming administrative burden.

Normally, residential and community facilities and programs such as those under consideration in this title receive Federal funds from a variety of State and local, as well as Federal, agencies. Effective enforcement of the withholding of Federal funds, particularly enforcement with respect to funds paid indirectly as a result of revenue sharing, would require a massive monitoring and tracking effort, involving a great increase in Federal regional manpower.

The language of section 206(b) and of the Committee report is quite unclear concerning the responsibilities of the Social Security Administration, and section 206(b) is likely to create an administrative monstrosity. There appears to be no relationship between the administration of the earnings-related SS cash benefits program and the administration of funds to which an individual would be entitled to have paid on his behalf under a wide range of other Federal programs—including services programs such as Medicaid and vocational rehabilitation. Should the intent of section 206(b) have merely been that the SSA would determine a proper payee for funds withheld under section 206(a), it would seem to be much more reasonable to have the agency making the initial determination for payment of the funds withheld also determine the proper payee. SSA would be required to obtain information from the files of the various agencies before payment could be made of the funds withheld by these agencies.

Whatever responsibilities the SSA would be required to handle under section 206(b) would impair the operation of other SSA-administered programs, including the new SSI program and the Medicare program. We believe the House Ways and Means Committee and the Senate Finance Committee should be consulted before this provision is added to the conference agreement because both committees have indicated interest in any new responsibilities that might be imposed on the SSA.

Department position

206(a)—Do not oppose if (a) the standards promulgated pursuant to Title II were consistent with those promulgated by the Secretary for ICF-MR's, (b) such standards provided flexibility for the Secretary to develop and amend implementing regulations so as to keep pace with changing conditions in the developmental disability field, (c) their applicability be limited to ICF-MR's participating in the Medicaid program, and (d) the Federal fund cut-off penalty were limited to Medicaid funds.

206(b)—Delete.

Technical amendment

None.

SECTION 207—EVALUATION AND PERFORMANCE CRITERIA

Summary

Section 207 requires the Secretary to develop an evaluation system and plan for implementation of such system designed to:

(1) assess the adequacy of all education and training, habilitation, rehabilitation, early childhood, diagnostic and evaluation services, or any other services or assistance under all laws administered by the Secretary; and

(2) develop specific criteria designed to provide objective measurement of the development progress of a developmentally disabled individual, which may utilized by public agencies, residential facilities, and community based facilities and agencies to

evaluate the effectiveness of the services provided to such individual.

Discussion

This section overlaps and/or conflicts with the responsibilities and activities established in Section 121 of Title I and establishes an overly broad mandate for evaluation of DHEW programs.

Section 121 mandates Federal development of a model State evaluation system for all programs within the State serving the developmentally disabled population which is virtually identical to the system described in Section 207, the only difference being that the Section 121 system is to be developed under the auspices of the National Council of Services and Facilities for the Developmentally Disabled and focuses upon a State rather a national system.

Enactment of the Section 207 evaluation component would result in similar activities carried out by two separate bodies. This would create duplication of effort, different approaches to the same problem, and development of two information systems to meet each system's particular requirements.

Insofar as any national evaluation would be dependent upon the prior availability, accessibility, reliability and validity of State data, a State and national system should be developed coterminously under the same auspices. The national system should be phased in at appropriate times after initial State efforts have begun.

We support and accept the basic concepts introduced in Section 121 and 207; specifically (1) the value of Federal leadership in the development of an overall evaluation system concept, relevant methodologies with implementation guidelines, and Federally required standards; (2) the development of specific criteria designed to provide objective measurement of the developmental progress of persons with developmental disabilities, and (3) the potential utility of including in an evaluation system some of the recent developments under DHEW sponsorship related to individualized data systems. It will be especially useful to establish an initial coordinated Federal-State effort and system which can be built upon as capabilities for evaluation and the establishment of performance criteria advance.

While in agreement with the intent, we are concerned that the comprehensive evaluation of social programs is an extremely ambitious undertaking with severe limitations in the state of the art. Thus, it is necessary that evaluation methods be carefully assessed prior to Federal endorsement. Further, it is important that the real merits of the evaluation system, along with its potential for future growth, not be compromised by over-ambitious requirements for initial State implementation.

Thus, we interpret the legislative language as requiring the Department to assess the state of the art and design a system structure which will be feasible for States to implement and which will meet the above objectives as fully as an aggressive but responsible use of existing knowledge and methodology allow.

While we do not yet have an assessment of existing knowledge and methodology, we have the following impression of their status:

(1) The objective measurement of the developmental progress of persons with developmental disabilities is desirable and possible.

(2) The use of individualized data from habilitation plans as a basis for an evaluation system is probably technically feasible, but issues of cost and confidentiality of data need thorough consideration prior to system design.

(3) Data can be developed on the receipt of services by developmentally disabled individuals which, on a statistical basis, could allow for useful evaluation of the impact of some services and service packages on the progress of developmentally disabled individuals.

(4) Deficiencies in the state of the art, coupled with practical restraints (e.g., cost, unavailability of control groups) will neither allow an initial system to assess cause and effect relationships between individual services and the progress of particular individuals nor allow the comprehensive evaluation of all services.

(5) The formal inclusion in the system of the development of a cost-benefit ratio of particular service alternatives is premature at best.

Department Position

The Department recommends deletion of Section 207 and incorporation of its requirements in Section 121. We are preparing specific alternative proposals to Section 121, which will be submitted in a separate document.

Technical Amendment

None.

SECTION 210—PERFORMANCE CRITERIA

Summary

Section 210 requires the Secretary to develop performance criteria for persons with developmental disabilities and minimum compliance levels for such criteria for all facilities and agencies providing services to persons with developmental disabilities. Such criteria shall be considered minimum standards under Title II.

Discussion

The intent of this section seems to be to use objective measures of the developmental progress of persons with developmental disabilities as a basis for establishing performance criteria by which individual facilities would be evaluated. We believe the establishment of such an evaluation system is desirable, but that it should be developed as part of the comprehensive evaluation system required under Section 121. In our proposed alternative to Section 121 (to be submitted separately) we will incorporate the objectives of Section 210.

Department Position

Recommend deletion and incorporation of the objectives of Section 210 into Section 121.

Technical Amendment

None.

SECTION 211—INDIVIDUALIZED WRITTEN HABILITATION PLAN

Summary

Section 211 requires individual written habilitation plans to be developed and modified at "frequent" intervals on behalf of each developmentally disabled person who is residing in a residential facility, community facility and agency to which Title II standards apply.

Discussion

We endorse the objective of an individual habilitation plan for every person with a developmental disability. However, we foresee problems with the smaller, non-medical facilities which would not have sufficient staff available to them to develop and implement habilitation plans for their residents/patients with developmental disabilities. The basis team required to develop an individualized habilitation plan would include a physician, psychologist, nurse and social worker. Ancillary personnel required as needed would include at least an opthalmologist, optometrist, audiologist, speech pathologist, occupational therapist, physical therapist, vocational rehabilitation specialist, neurologist, surgeon, X-ray technician, EEG technician and psychiatrist.

Considerable problems could ensue if the development of the habilitation plan requires the participation of a State agency representative. We believe it is unreasonable to expect a State agency to develop literally *thousands* of treatment plans. The approach of the ICF and Skilled Nursing Facility (SNF) regulations has been for the facility to develop the plans, although they are subject to independent professional review.

The requirements in subsection 211(d)(2) for assessment data would present implementation problems because some areas of measurement are difficult to assess (e.g., effective development, or cognitive development). In addition, insufficient trained personnel are available to attempt such assessments. Again, we would suggest that medical facilities would be in a better position to perform such assessments than non-medical facilities, which would generally not have available to them the services of psychiatrists or clinical psychologists. This comment also applies to subsections 211(e).

We feel that the performance criteria which the Secretary would be required to develop under Section 211(f) would necessarily derive from the measurement criteria to be developed under our proposed Section 121.

Plans for the patient who receives services from both the State vocational rehabilitation and developmental disability agencies should be coordinated, a requirement which the section does not suggest. The provision does not speak to which agency would have the lead in preparing the habilitation plan for a person with a developmental disabilty who is also receiving vocational rehabilitation services.

Cost impact of section 211

The cost for an initial evaluation would be an estimated $400, based on the services of a 4-man basic team working one-half day. Periodic (quarterly) evaluations would be an estimated $100 each. The first-year cost for habilitation plans would therefore be an estimated $700 per person, or $5.6 billion, based on an estimate of 8–8 and ½ million persons. This estimate of the affected population is considered conservative, however; other estimates have placed the target population at closer to 20 million. The annual ongoing cost of the evaluations would be $3.2 billion.

Department position

Do not oppose if habilitation plans are limited to persons with developmental disabilities in ICF–MR's participating in Medicaid program and if coordination of DD and VR plans is required.

Technical amendment

The term "intervention" in subsection 221 (d) (6) should be clarified because of its specific clinical connotations, which may be misinterpreted.

SECTION 212—PROGRAM COORDINATION

Summary

Section 212 requires that each developmentally disabled person served by an agency shall be assigned a program coordinator responsible for implementation of the person's individual written habilitation plan.

Discussion

While we endorse the objectives of this section, we believe they can be achieved at the present time only by ICF–MR's participating in Medicaid rather than non-medical facilities or facilities which do treat the developmentally disabled. We would also oppose the detailed provisions relating to the program coordinator's function; these are generally unrealistic in their broad scope and inappropriate for statutory language.

Department position

Do not oppose, if program coordinator requirements are applicable only to ICF–MR.'s participating in Medicaid.

Technical amendment

None.

SECTION 213—PROTECTIVE AND PERSONAL ADVOCACY

Summary

Section 213 would establish in each State a system of protection and personal advocacy

for the developmentally disabled in that State.

Discussion

We object to this provision because it would create a new fair hearing system unrelated to current systems of due process safeguards. Furthermore, the section is so broadly drawn that it could be interpreted to authorize the State agency to override a Federal agency administering benefits or services to an individual.

A further problem with this section is its failure to distinguish clearly between those persons having an adjudicatory role and those having an advocacy role with respect to the treatment of persons with developmental disabilities. There must be a clear separation of such roles in order to avoid possible conflicts of interest.

This system would also be extremely costly to implement (see below). It would require not only an ombudsman-type office, but an adjudicative arm also—one capable of producing a record which could be reviewed by a court. We would suggest an approach similar to that incorporated in the Vocational Rehabilitation Amendments which authorize demonstration projects for advocacy.

Cost impact of section 213

A conservative estimate of the advocacy program, based on the experience with SRS demonstration projects, is $375,000/State or a total of $18,750,000 nationally. This does not include costs for an adjudicative arm.

Department position

Substitute authority for demonstration projects to test effectiveness of such systems.

Technical amendment

None.

SECTION 215—MINIMUM STANDARDS FOR USE WITH THE ALTERNATE PROCEDURE

Summary

Section 215 establishes additional standards for facilities and agencies using the Part B (Title II) standards.

Discussion

On October 3, the Department published final regulations (the Patient's Bill of Rights) which would require SNF's and ICF's to establish policies to ensure that certain rights are afforded to patients. These regulations give implicit recognition to the fact that patients' health and responsiveness to treatment are frequently linked to such rights as: the right to be treated with dignity; the right to be involved in decision-making about treatment; and the right to maintain contact with the community.

The basic objectives of Section 215 are covered by the existing ICF regulations and the SNF Patient Bill of Rights; however, the requirements are not identical. Some sections (such as (2) and (9)) are unclear, and others (such as (7), (11), and (12)) would not be appropriate to apply uniformly to all facilities and agencies serving the developmentally disabled. Item (13) is one beyond the control of the facility; therefore, it is unfair to require the facility to conform to it unless the facility itself provides educational services. We see no reason for inclusion in this Title these criteria, which are already being implemented for the most part in medical facilities under the ICF and SNF standards. Facilities not falling under the jurisdiction of these standards would be generally unable to meet such standards, as discussed throughout this paper.

Department position

Delete.

Technical amendment

None.

By Mr. WILLIAM L. SCOTT:

S. 1195. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for amounts spent by an individual to conserve energy used in heating and cooling his home. Referred to the Committee on Finance.

Mr. WILLIAM L. SCOTT. Mr. President, today I introduce a measure to amend the Internal Revenue Code of 1954 to provide a tax credit for amounts spent by an individual to conserve energy used in heating and cooling his home, and ask that it be referred to the appropriate committee for consideration.

As you know, there has been an increasing awareness by all Americans over the need to conserve energy as we work toward the goal of energy self-sufficiency in this country. It is my understanding that a number of individual energy conservation initiatives, such as driving less and at lower speeds and turning down the thermostat in our homes, have been helpful in reducing energy consumption. It appears we do need to continue encouraging individuals to do whatever is reasonable under the circumstances to save energy. My proposal would provide a tax credit up to $100 over a 3-year period, retroactive to last January, as a means of offering incentives to those individuals who want to save money on fuel costs, conserve energy and keep their home heating or cooling systems operating more efficiently.

Federal energy officials tell us, for example, that 13 percent of our total energy demand is consumed in heating and cooling residential buildings at increased cost to the homeowner and the owner of dwelling units who rent them to other individuals. It is my understanding that up to 20 percent of this energy used in our homes is wasted through inadequate insulation and other heating and cooling materials or equipment. In my opinion, Mr. President, we cannot afford to let such waste continue at a time when we need to take steps to conserve energy; and I believe the legislation being proposed today would be helpful in this regard.

Specifically, this measure would allow individuals to receive up to a 20-percent credit for energy-saving home improvements made during tax years 1975, 1976, and 1977. It seems reasonable to me, Mr. President, that we should try to encourage individuals to make such improvements and my proposal would permit a tax credit up to $100 based on expenditures of $500 or more for energy-saving equipment, materials and labor costs for installation. This credit would be retroactive to the beginning of January of this year and continue through the end of tax year 1977 so as to encourage fairly rapid adoption of energy-saving improvements by anyone who wishes to do so.

Mr. President, in my opinion, this does seem to be a reasonable course of action to take in an effort to save fuel and to hold down energy costs to the consumer. There does appear to be substantial interest for such a credit to homeowners, tenants, and owners of rented dwellings, and hope the appropriate committees in Congress will give serious consideration to this measure as an incentive for making energy-saving home improvements.

At this point 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. 1195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as section 43 and by inserting after section 41 the following new section:

"SEC. 42. ENERGY-SAVING HOME IMPROVEMENT EXPENSES.

"(a) General Rule.—In the case of an individual (other than a trust or estate), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the individual's energy-saving home improvement expenses for the taxable year. For purposes of this section, and individual, such individual's spouse and members of his household shall be treated as one individual.

"(b) Limitation.—The credit allowed by subsection (a) for any taxable year shall not exceed $100 ($50 in the case of a married individual filing a separate return) less the sum of the credits claimed by the individual which are allowable under this section for prior taxable years.

"(c) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the other credits allowable under this subpart, other than under section 311 (relating to tax withheld on wages) and section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil).

"(d) Definitions.—For purposes of this section—

"(1) Energy-saving home improvement expenses.—The term 'energy-saving home improvement expenses' means amounts paid by the individual during the taxable year for qualified tangible property for installation in existing residential housing, and for labor and installation of such property.

"(2) Qualified tangible property.—The term 'qualified tangible property' means property which lessens energy usage in residential housing. Such property includes, but is not limited to, insulation, storm windows, storm doors, and weatherstripping.

"(3) Existing residential housing.—The term 'existing residential housing' means a dwelling unit which is used by the individual as his residence, whether as an owner or a tenant, or which is owned by an individual and rented to another person for use as that person's residence, at the time the expenditure for qualified tangible property is made, but does not include any dwelling unit unless—

"(A) the construction of such dwelling unit was completed at least one year before the individual makes such expenditures, or

"(B) in the case of a dwelling unit which does not satisfy the condition of subparagraph (A), the individual did not design or establish the specifications of such development."

(b) Clerical Amendment.—The table of sections for such part IV is amended by inserting after the item relating to section 41 the following new items:

"Sec. 42. Energy-saving home improvement expenses."

(c) Effective Period.—The amendment made by this section shall be effective for taxable years beginning after December 31, 1974, and before January 1, 1978.

By Mr. HUMPHREY:

S. 1196. A bill to amend the Higher Education Act of 1965 to establish a student internship program to offer stu-

dents practical involvement with elected officials on local and State levels of government and with Members of Congress. Referred to the Committee on Labor and Public Welfare.

INTERNS FOR POLITICAL LEADERSHIP ACT

Mr. HUMPHREY. Mr. President, I am today introducing the Interns for Political Leadership Act of 1975, which would add a new title XII under the Higher Education Act of 1965.

My bill would authorize the Commissioner of Education to make grants to institutions of higher education which establish internship programs under which students will be provided practical involvement with elected officials in local and State government and with Members of Congress in the performance of their duties.

Mr. President, similar legislation passed the Senate in both the 92d and 93d Congresses, although it was not included in final conference reports. Nevertheless, the proposal has received and continues to receive widespread support in both Houses.

Under the proposed program, it is expected that students will be assigned to jobs of solid responsibility whether in researching important national, State, and local issues, or in providing the day-to-day services that are requested by constituent, or in helping to draft legislation.

This important work experience would be coordinated with the student's educational program, and he or she would receive course credit as well as a limited stipend.

A primary feature of such programs would be the initiation of direct, ongoing interchanges between public service officials and educators. Students, professors of political science and other disciplines, and those serving in elected office would share experiences and insights in guidance consultations and group seminars. I believe this procedure will be of incalculable benefit, both in challenging public officials to reflect upon new opportunities and directions required in representing and assisting our people, and in increasing understanding and stimulating insight among educators and students about the demands and challenges of public office.

We know that elective office at all levels of government in America, as well as our political system, are presently undergoing a time of severe testing. A serious demand is being made of representatives to deliver on their promises and to respond to the urgent problems and needs of the people.

We in government must address this public mood without delay in pressing forward on an action agenda to resolve urgent local and national issues—inflation and recession; the threat of continued energy shortages; assuring the continued availability of food supplies and other national resources; and required improvements in public facilities and services, health care, education, housing, and social welfare programs on behalf of all our people.

At the same time, however, we must do everything possible to expend opportunities for effective involvement in public service, particularly on behalf of those who have the potential to be the public leaders of tomorrow. This is the direct purpose of my bill. Students would be enabled to evaluate a career in government and to test and temper their knowledge of the political system early in their educational years. By this direct work experience, they will have a solid basis for evaluating what is presented to them in their reading, in the classroom, and after their college years.

A nationwide intern program would bring a significant number of young people closer to government and—as recent political science studies have shown—there can be a resultant improvement in the confidence our young people have in our political system.

On the other side of the coin, college interns can provide an important pool of assistance to our understaffed and overworked Federal, State, and local governments. And these governments would have an opportunity to review and recruit some very talented young people for eventual full-time employment.

My bill provides for grants to colleges and universities for the planning, development, administration, and operation of student internship programs. Any institution within the United States, is eligible to apply for an internship program grant under this program.

Under these grants, students would be given internship stipends, half paid by the Federal Government and half paid through arrangements made by the institutions of higher education with legislative branches of local, State, and Federal governments. The internship programs would be administered by the institutions of higher education with the cooperation of local and State elected officials and offices of Members of Congress.

The Commissioner of Education, with the assistance of a National Advisory Council for Political Leadership Interns—established under my bill—would select the institutions to receive grants. The Council would set the criteria for the awarding of grants.

My bill calls for an allocation of $5 million for fiscal year 1976, $1.25 million for the ensuing 3-month transition period, and $5 million for each of the two succeeding fiscal years. With a maximum of 20 percent of the authorization allocated for administration expenses by institutions of higher education, these funds would support over 7,400 full-time interns each year. This figure is based upon an average Federal support of $540 per intern for a 12-week off-campus, full-time internship. The internship funds would be distributed among the States in the same ratio as the number of Congressmen from each State bears to the total membership of Congress. With a $5 million appropriation, approximately 17 interns would be able to participate from each congressional district.

There is wide support for this legislation from institutions of higher education, local, State, and Federal governmental officials, and from many national professional organizations.

Mr. President, there is a great value in educating students through internships. There is perhaps no better way to learn, than to apply theory to problems in the real world and then to examine and evaluate the consequences. The accumulation of these experiences through off-campus internships is an excellent means of gaining new knowledge. The Interns for Political Leadership Act of 1975 would encourage the development of this type of learning experience for college students throughout the United States.

Mr. President, I ask unanimous consent that the full text of the 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. 1196

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 "Interns for Political Leadership Act of 1975".

SEC. 2. The Higher Education Act of 1965 is amended by redesignating title XII and all references thereto as title XIII and sections 1201 through 1206 and all references thereto as 1301 through 1306 and by inserting immediately after title XI the following new title:

"TITLE XII—POLITICAL LEADERSHIP INTERN PROGRAM

"PROGRAM AUTHORIZED

"SEC. 1201. The Commissioner is authorized to make grants, in accordance with the provisions of this title, to institutions of higher education for the planning, development, administration, and operation of an internship program under which students will be provided practical political involvement with elected officials in the performance of their duties at the local and State levels of government and Members of Congress through internships in their offices. Such internship program shall be carried out through arrangements administered by institutions of higher education, and with the cooperation of State and local governments and Members of Congress. Under such program the interns, who are students at any institution of higher education which is a grant recipient, will be assigned duties in offices of State and local elected officials and Members of Congress, which will give them an insight into the problems and operations of the different levels of government, as well as an opportunity for research and for involvement in the policymaking process. Arrangements for such grants shall provide for coordination between the on-campus educational programs of the persons selected and their activities as interns, with commensurate academic credit given for their work and achievement as interns.

"SELECTION OF STUDENTS FOR PARTICIPATION AND DISTRIBUTION OF GRANTS

"SEC. 1202. (a) The students who are to participate in the internship program provided for in this title shall be selected by the institutions of higher education receiving grants under this title.

"(b) The Commissioner shall assure that grants under this title are distributed among the States in the same ratio, to the extent practicable, as the number of Members of Congress of a State bears to the total number of Members of Congress in all States.

"(c) (1) In order to assist the Commissioner to select institutions of higher education within a State to receive grants under this title, he shall appoint a National Advisory Council for Political Leadership Interns. Such Council shall be composed of twelve members appointed from among individuals especially qualified to serve on the Council.

"(2) The Council shall advise the Com-

missioner with respect to the distribution of grants under this title within each State and with respect to such other matters of policy as may be appropriate in carrying out the objectives of this program as authorized under this title.

"(3) The Commissioner shall make available to the Council such staff, information, and other assistance as it may require to carry out its duties under this title.

"(4) The provisions of part D of the General Educations Provisions Act shall apply to any Council established under this title.

"(d) Whenever the Commissioner determines in the third quarter in any fiscal year that grant funds will not be needed in any State he may redistribute such funds to institutions of higher education in other States which he determines have a need for them.

"FEDERAL SHARE

"SEC. 1203. (a) The Federal share of the cost of student stipends under this title shall not exceed 50 per centum.

"(b) The Federal share of the cost of planning, developing, and administering any program under this title shall not exceed 20 per centum of such cost.

"ADMINISTRATION

"SEC. 1204. The Commissioner shall by regulation prescribe the stipends to be paid by institutions of higher education to the interns participating in the program assisted under this title and the duration and other terms and conditions of such internships.

"DEFINITIONS

"SEC. 1205. For the purpose of this title—

"(1) the term "Members of Congress" includes the Resident Commissioner for the Commonwealth of Puerto Rico and the delegate for the District of Columbia; and

"(2) the term 'State' means the fifty States, the Commonwealth of Puerto Rico, and the District of Columbia.

"APPROPRIATIONS AUTHORIZED

"SEC. 1206. There is authorized to be appropriated to carry out this title the sum of $5,000,000 for the fiscal year 1976, $1,250,000 for the ensuing three month transition period, and $5,000,000 in each of the two succeeding fiscal years. Funds appropriated pursuant to this section shall remain available for the succeeding fiscal year after the fiscal year for which they were appropriated.

By Mr. TUNNEY (for himself, Mr. CASE, Mr. MONDALE, and Mr. PHILIP A. HART):

S. 1197. A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling. Referred to the Joint Committee on Atomic Energy.

Mr. TUNNEY. Mr. President, today Senator CASE and I are being joined by Senator MONDALE and Senator PHILIP A. HART in introducing the Plutonium Recovery Control Act of 1975.

Plutonium, created by nuclear fission powerplants, has gained notoriety by being one of the most toxic and long-lived substances known to man. It is estimated that by 1985, nuclear powerplants in the United States will have produced 140 tons of plutonium. This amount will rise to 1,700 tons by 1990; and, by the year 2020, there could be as much as 30,000 tons of plutonium in this country.

One-millionth of a gram of plutonium has been shown to cause cancer in animals. The risk of lung cancer in humans from hot particles of plutonium has been compared to the lethal dose of botulin toxin, a biological warfare agent. Microgram quantities of plutonium in open wounds can cause cancer. Once inside the body, plutonium is a bone seeker capable of causing bone cancer.

Not only is plutonium extremely carcinogenic, but it is also a weapons grade material which can be used to fashion a nuclear bomb. It only takes around 10 pounds of plutonium to build a nuclear device with the destructive power of the atom bomb that devastated Hiroshima.

The technology for building nuclear weapons with plutonium is not a secret. An MIT student recently demonstrated for public television that the information necessary to construct such an explosive is available from unclassified documents and materials that any terrorist or madman can obtain.

To make matters worse, plutonium has a half-life of 24,000 years. This means that plutonium must be kept from human contact for hundreds of thousands of years. Unfortunately, we do not know how to permanently deal with this menace.

Although plutonium can be used in constructing nuclear devices, at present the threat of it actually being used is very slight. This is because plutonium currently is stored with other spent fuel wastes at the reactor site. In order to be used for nuclear explosives, plutonium must be separated from the other wastes. The reprocessing of spent fuels is a complicated and expensive process.

Last year, however, the Atomic Energy Commission issued a proposal to authorize the recycling of plutonium to be used as fuel for light water reactors. Under the AEC's proposal, plutonium would be reprocessed and separated from the other spent fuel wastes. The plutonium would then be transported through the nuclear fuel cycle. Not only would the main deterent to the illicit division of plutonium be removed by its reprocessing, but it would become much more susceptible to theft or sabotage as it is transported from the reprocessing plant to the fabricating and assembly plants and back to the nuclear reactor.

The Nuclear Regulatory Commission, which has taken over the regulatory functions of the AEC, is reviewing the AEC's draft environmental impact statement on plutonium recycling and plans to issue a final EIS.

We feel, however, that the extraordinary implications of plutonium recycling are of such importance to the public that the decision to authorize recycling should rest with the Congress and not with a regulatory agency.

In order that Congress will have the information necessary to make such a decision, the legislation directs the Office of Technology Assessment to examine and assess all of the issues involved in plutonium recycling. OTA is directed to study, among other things, the toxicity and carcinogenic characteristics of plutonium; the risks of illicit diversion and the safeguard and accounting measures that would be necessary to protect against such diversion; the effects of safeguards on civil liberties; the costs and benefits of plutonium recycle as well as an examination of alternatives to plutonium recycling.

Once OTA has completed its assessment, Congress hopefully will be in a position to make a decision on what could very well be one of the most important matters ever before it.

At this point, I request unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 1197

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Recovery Control Act of 1975"

FINDINGS

SEC. 1. The Congress finds that—

(1) the Nuclear Regulatory Commission proposes to license the extraction of plutonium from spent reactor fuel and its subsequent use in mixed-oxide reactor fuels;

(2) plutonium is both a highly toxic substance and the possible raw material for nuclear explosive devices;

(3) the establishment of a commercial plutonium industry and the consequent production and transportation of large quantities of plutonium may increase the likelihood of diversion of plutonium from legitimate channels to use by criminal of terrorists organizations;

(4) the final decision on whether the economic benefits of plutonium recycling are great enough to couterbalance its social costs and risks should be made by the Congress.

SEC. 2. (a) Except as provided in subsection (b), the Nuclear Regulatory Commission, established by section 201 of the Energy Reorganization Act of 1974 (Public Law 93-438, 88 Stat. 1242), shall not license, permit, or otherwise authorize—

(1) the operation of any nuclear power reactor using recycled plutonium fuel; or

(2) the construction or operation of any facility which reprocesses or recovers plutonium from spent nuclear power reactor fuel or from production reactor products.

(b) The provisions of subsection (a) (2) of this section shall not apply with respect to—

(1) any construction activity undertaken in conformity with a construction permit issued pursuant to the Atomic Energy Act of 1954 (68 Stat. 919) before January 1, 1975; or

(2) any recovery of plutonium for military or research and development purposes.

(c) The prohibitions of subsection (a) of this section shall remain in effect until the Congress, after having adequate time to study the results of the investigation described in section 3, and hold the necessary hearings, and to consider the various alternatives available to the Nation, provides otherwise by law.

SEC. 3. (a) The Office of Technology Assessment shall conduct a comprehensive study of the recycling of plutonium for the purpose of determining the extent of the dangers to the public health and safety and to the environment resulting from such recycling. Such study shall include—

(1) investigation of the toxicity and carcinogenic characteristics of plutonium, and the potential for occupational and public exposure and environmental contamination by plutonium;

(2) investigation of the risks of the unauthorized diversion or theft of plutonium, the development of illicit markets for the sale of plutonium, and the fabrication and use of unauthorized nuclear devices made from plutonium;

(3) investigation of the full range of economic costs and institutional implications, including threats to civil liberties, of the safeguards measures needed to minimize the unauthorized diversion or use of plutonium;

(4) investigation of the need for plutonium

as an energy fuel and of non-plutonium strategies for meeting national energy requirements;

(5) investigation of alternative means of handling and containing plutonium on the assumption that the use of recycled plutonium as nuclear power reactor fuel is not permitted in the foreseeable future; and

(6) consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety of the environment.

(b) In conducting the study required by subsection (a) of this section, the Office of Technology Assessment shall seek the assistance of a broad range of public and private groups with information or expertise relevant to the subjects of the study and shall assist and encourage the participation of the public in all phases of the study. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with any corporation or person which in the judgment of the Office might have a significant financial interest in the development or utilization of recycled plutonium fuel.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study under this section. The Office is further empowered to compel the delivery of any information in the possession of the National Laboratories which the Office deems necessary for conducting the study.

SEC. 3. For purposes of this Act—

"(1) the term 'plutonium' means pure plutonium, plutonium oxide, or any other plutonium compound;

"(2) the term 'recycled plutonium' means any plutonium recovered or separated from spent nuclear reactor fuel of production reactor products;

"(3) the term 'recycled plutonium fuel' means any nuclear reactor fuel containing recycled plutonium, including fuel containing mixed oxides or uranium and recycled plutonium;

"(4) the term 'spent nuclear power reactor fuel' means any material which forms part of a used fuel assembly for a nuclear power reactor."

By Mr. MORGAN:

S. 1198. A bill to reduce temporarily the interest rate on mortgages purchased under the Emergency Home Purchase Assistance Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

HOME PURCHASE COST REDUCTION ACT OF 1975

Mr. MORGAN. Mr. President, today I am introducing legislation which can have a major impact on the economy in our country. My bill, S. 1198, known as the "Home Purchase Cost Reduction Act of 1975" would provide for $20 billion to be used for the purchase of low to moderately priced family dwellings.

One of the primary reasons I am offering this bill is to put before the Congress a viable alternative to the huge tax reduction and rebate bill which has been proposed by the House and Senate Finance Committee. It is my belief that the tax measure as proposed is not only going to harm our economy in the long run, due to the large budget deficit necessarily involved, but also will not provide the kind of true economic relief which is needed at this time.

Under my bill, which is actually an addition to the National Housing Act of 1974, the money used to provide 6 percent loans for new principal residential dwellings up to a total cost not to exceed $30,000 would not require huge budget deficits. Rather this money would be put into the economy and the only amount which would actually be taken from the Federal Treasury would be the difference between the 6 percent interest and the higher, going interest rate at the time the loans were made.

In order to improve our economic situation what we need to do is get some of the major segments of our economy moving again. None is more important than the housing industry. Under this bill individuals who cannot afford housing due to high costs and high interest rates, could borrow the necessary money at 6 percent interest to build a house which did not cost more than $30,000. This not only helps the lower- and middle-income members of our society but also, and equally important, it helps get our housing industry moving again. By getting the housing industry off the ground, with the major influx of financial resources as provided in this bill, we will in turn stimulate the entire economy.

The tax program proposed by the House and the Senate Finance Committee is not a sound one. The Federal Government simply cannot continue to budget huge Federal deficits year in and year out. Federal deficits drain needed money from the private sector thus drying up the money supply and causing many curtailments of all types of activities and endeavors in the private sector. At the same time the amount the Federal Government is having to pay in interest alone each year on its deficit is staggering. My own State of North Carolina is required under its constitution to keep its finances in the black. For this reason, Mr. President, we are proud to say that North Carolina enjoys one of the finest credit ratings of any State in the Nation and also an efficiently, economically run State government.

We hear from many economists that there is no need to worry about deficit spending, particularly in time of recession. While I am not an economist, Mr. President, it seems to make sense to me that eventually the Federal Government is going to have to come to grips with its budget problems. By coming to grips, I mean its going to have to learn to spend no more than it takes in and to reduce the present deficit to zero. A balanced budget has worked well in North Carolina for many many years. I do not understand why the Federal Government should not be operated in this same manner.

My proposal to provide this $20 billion would give the needed stimulus to the economy to help bring our country out of its present state of recession. At the same time the money would be used to stimulate not only the housing industry but also to varying degrees every segment of the economy. And in addition this would be accomplished without having the burden of an additional deficit in the Federal budget.

Mr. President, this is not a complicated bill. I purposely chose the mechanism of an addition to the National Housing Act of 1974 as a means to implement this concept, rather than establishing some new authority or fund to be administered by HUD. I am not interested in building more layers to our Federal bureaucracy but rather in helping the millions of Americans who are in economic trouble. At the same time I would like to see the U.S. Congress start down the road to fiscal sensibility.

I am certainly not naive enough to think this proposal will be adopted in toto nor am I naive enough to think I can single-handedly derail the tax proposal which has been made and which I find to be unwise. Nevertheless, Mr. President, I offer this bill as an alternative to the tax proposal presently before this distinguished body with the hope that it will serve to stimulate thought and discussion among my colleagues.

By Mr. MOSS:

S. 1199. A bill to authorize the Energy Research and Development Administration to enter into a cooperative agreement with the State of Utah to remove and dispose of uranium mill tailings, and for other purposes. Referred to the Joint Committee on Atomic Energy.

Mr. MOSS. Mr. President, I am introducing for appropriate reference a bill authorizing and directing the Energy Research and Development Administration to enter into a cooperative agreement with the State of Utah for removal and disposal of the Vitro uranium mill tailings pile now located in the middle of Salt Lake County.

I introduced a similar bill, S. 2566, in the 93d Congress. As a result of hearings conducted on that bill by the Joint Committee on Atomic Energy, the AEC undertook a site survey of 21 inactive uranium mill tailings sites similar to the Vitro pile in Salt Lake County. The purpose of the survey was to determine the conditions and what kinds of corrective action might be required at these sites, which are located in seven Western States.

ERDA, AEC's successor in responsibility for solving the problems associated with these abandoned tailings piles, is now in the process of awarding a contract to an architectural and engineering firm to study in greater detail what must be done either to stabilize or remove the tailings piles at each mill site. According to testimony given last month by Dr. Liverman if ERDA before the JCAE, this phase II study will take 2 years to complete at a funding level of $400,000 per year. ERDA has obtained the funding necessary for this year through an agreement with EPA, and expects to be able to obtain another $400,000 in a similar fashion next year.

Although the phase II study of all sites will take 2 years, the study of the Vitro site, which poses the greatest hazard to health, will be complete by October of this year. The phase II study, in Dr. Liverman's words, does not move a single shovelful of dirt.

I am therefore introducing this bill at this time, so that ERDA will have the

necessary authorization to move immediately upon completion of the Vitro engineering study toward commencement of removal operations, through a cooperative agreement with the State of Utah. ERDA, EPA, and the State department of health all agree that the hazards to human life presented by the Vitro tailings require their removal and disposal in a safe location. It would be intolerable to prolong the delay in removing those hazards for an additional 18 months, pending the completion of the phase II study of the other sites.

I ask unanimous consent to have printed at this point in the RECORD an article by Joe Kelleher, editor of the Daily Utah Chronicle, describing the history of the Vitro problem, as well as the bill which I now send to the desk.

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

VITRO PILE CLEANUP IS ON WAY—SLOWLY

(By Joe Kelleher)

Man's shortsightedness is legendary. Literature and history are rife with examples of the human tendency to overstep the bounds of one's own understanding. The ancient Greeks put a spiritual prohibition on such behavior with the institution on *nemesis*, the divine retribution that follows when an individual indulges in *hybris*, or rushing in where angels fear to tread.

Today, a man doesn't have the benefit of Olympian regulation. And these days, when man's history of callous attitudes towards energy conservation, resource conservation, and population control is coming back to haunt him with unparalleled severity, his inherent flaw is assuming awesome significance.

Residents of Salt Lake City and its environs are now in the middle of a twelve-year-long crash course on just how well man's own creations can keep him from acting in his own interests. And when it's over in 1980, the people of the Salt Lake Valley will have learned a costly lesson on the responsibilities that accompany governmental bureaucracy and scientific technology.

VITRO LEGACY

The case centers on about half a square mile of land located north of 33rd South between 5th and 9th West. On that property between 1951 and 1968, the Vitro Chemical Company was in business processing uranium ore. The company went bankrupt in 1968.

Most of the inhabitants of Salt Lake Valley if they recognize the name "Vitro" at all, associate it with the giant smokestack visible from virtually everywhere in the valley. If you're driving south along I-15 just before 33rd South exit, you'll see a white tower, emblazoned with the word "Vitro," close to the immense stack. As far as most Salt Lakers are concerned, the two structures constitute the Vitro Chemical Company' entire legacy to the city.

But Vitro also left behind something much more significant—a large pile of radioactive by-products ("tailings") from uranium processing. The presence of these tailings, thought to be an inconsequential matter in 1968 when the company went out of business, has since become regarded as potentially one of the most severe health hazards Salt Lake City has ever faced.

Since 1947, about 40 uranium-ore processing mills scattered throughout the western United States have produced uranium for sale to the United States government, and also to private industry. Of these, 24 have shut down due to a slackening in the demand for processed uranium ore and a consolidation of production in certain of the remaining open mills. The Vitro mill was one casualty of the uranium bust.

Because of the nature of uranium processing, a mill invariably leaves tailings behind. If the mill is operating, the tailings' radioactivity must be controlled under a state license. Such control, called "stabilization," is usually accomplished by covering the radioactive material with a few feet of dirt or a specially-prepared chemical coating.

UNSTABLE AND DANGEROUS

But a mill that goes bankrupt may close down before it gets the chance to stabilize all of its tailings. Indeed, of the country's 24 inoperative mills, only three satisfactorily stabilized their tailings before they shut down. They are located at Monticello, Utah; Riverton, Wyoming; and Ambrosia Lake, New Mexico. In the other 21 cases, stabilization is either partial or non-existent.

Right now the property containing the Vitro tailings is fenced in, but even that didn't happen until four months ago. Until then, it was common to see people riding motorcycles on the abandoned Vitro property.

The tailings can best be seen from the gate at 33rd South and 7th West—a long, flat, dark-gray pile of powder-fine dust lying south of the big smokestack. That's 1,700,000 *tons* of uranium by-products out there in the open air—and it's completely unstabilized.

The potential implications of the tailings' presence in the middle of Salt Lake City are shocking. Virtually no data has been collected on the effects of a pile of radioactive material in the surrounding population, but radioactivity itself is known to promote cancer, given sufficiently high doses. A radioactive atom "decays," or throws off certain subatomic particles. When these particles, moving at high velocities, collide with living cells, they break up crucial chemicals in the cells, sometimes resulting in unrestrained cellular growth, which in time can cause cancer. The primary hazard connected with the Vitro radioactivity is the danger of lung cancer from inhalation of radioactive material.

When a radioactive atom decays, its nuclear composition is altered and the atom becomes a different element. Uranium-238 happens to be at the head of a long chain of radioactive isotopes, each of which decays into another, until a nonradioactive isotope (lead-206) is reached. Most of the material in a pile of uranium tailings is thorium-230 (which is two decay-steps down from uranium) and its decay product, radium-226. However, this radioactivity is only a hazard at distances extremely close to the pile, and the related dangers are easy to control.

But radium-226 decays into radon-222, which is a gas rather than a solid. So, at this step in the decay process, the radioactivity becomes mobile. It leaves the tailings pile and diffuses into the surrounding atmosphere in the form of radon gas. To make things worse, radon happens to be one of the few gases ("inert gases") that will not react with other elements. Since radon gas can diffuse through almost any substance (even concrete), and since radon atoms are constantly decaying into lead-214 and bismuth-214, which are radioactive solids, the gas can spread into nearby buildings and then turn into solids that will stay there. The intensity of radiation within buildings is therefore much higher than it is in the open air, where radon by-products can spread out.

EPA REALIZED DANGER

The real public concern over the Vitro situation started when the Environmental Protection Agency (EPA) called attention to the randon danger. The first mention of this fact in the public media came when the Salt Lake *Tribune* published a short article on the subject on March 17, 1973. That incident, together with a California corporation's offer to build a speedway on the property a month later, triggered a spate of governmental and legislative actions to get the tailings removed. It was also the beginning of a lesson for Salt Lake City on just how cumbersome the workings of the United States government can be, even in its more responsive moods.

Things began to move in August 1973, when Utah's governor, Calvin Rampton, asked the Atomic Energy Commission (AEC) for "technical aid" in removing the tailings. This came on the heels of a decision by Utah State Health Department Director Lyman J. Olsen to withhold support for any building plans within one half-mile of the tailings site. (The half-mile radius was determined by the AEC and the EPA as a potentially unsafe area.) Ironically, Rampton chose not to ask the AEC for money since he wanted to get the matter over with as soon as possible, and a financial request would have required Congressional approval.

Within a week, Rampton decided to ask the AEC for both technical and financial help. Utah's Democratic-Senator Frank E. Moss agreed to introduce the necessary legislation. But by exposing Congress to the problem, Moss had unwittingly added almost a year to the schedule for the Vitro cleanup.

Why? First of all, it took considerable time just to get a hearing. Moss introduced the bill that would legitimize the AEC's cooperation with Utah on October 12, 1973. On November 2, a Tribune article quoted an EPA report to the effect that the tailings radiation definitely exceeded permissible standards, and Moss issued a statement saying that he expected a Joint Committee on Atomic Energy (JCAE) report on the bill by November 22.

But that Congressional committee didn't take action until March 12, 1974. That was the date its Subcommittee on Raw Materials set for hearings on S. 2566 and H.R. 11378—that is, Moss' bill in the Senate and an identical bill sponsored by Utah's Democratic Congressman Wayne Owens in the House. And it was at that hearing that Utah's hopes for swift removal of the Vitro tailings were dealt another blow.

At the hearing, Dr. William D. Rowe, testifying on behalf of the EPA in Washington, pointed out that in addition to the Vitro problem, there were twenty other inactive uranium mills in the country with stabilization problems. He recommended that the problem be "approached as a generic one, but structured to address the most critical situations first" (presumably a reference to the Vitro case). Then the AEC's representative, Dr. James L. Liverman, followed with a proposal that "a comprehensive study be made of all such piles, rather than treating the problem on a piece-meal basis."

STALLED FOR STUDY

The recommendations were adopted, and Utah's congressmen stood by helplessly as the pressing Vitro problem was classed with other, much less hazardous situations for study purposes. The subcommittee was to withhold Moss' and Owens' bills until all 21 sites were studied.

The AEC and the EPA began "Phase I" of the study—an evaluation to see which sites needed action because of radiation hazards—in May 1974. They released the Phase I summary report in October.

Essentially, the report saw fit to divide the sites into two categories—those requiring immediate removal of radioactive material, and those in need of the less drastic measure of improved stabilization. The findings placed twenty of the sites into the second category. The one member of the first was Salt Lake City.

"The removal of uranium mill tailings from an existing site can be projected to be a painstaking and costly operation. It should not be undertaken without compelling reasons," the October report said. "The exposure

or potential exposure of a large population to elevated radiation levels, and the unsuitability of a site for long-term stabilization are the two factors which are considered to jusremoval. *At this time only the Vitro site in Salt Lake City appears clearly to meet these criteria.*"

Indeed it does. The data accompanying the report not only pointed up the striking contrast between Vitro's significance and that of others, but crystallized local fears that the Salt Lake tailings' radioactivity was—and still is—spreading beyond the "safe" half-mile limit.

For example, consider the report's contention that the Salt Lake City site is "unsuitable for long-term stabilization." (In other words, simple stabilization instead of removal would not ease the radiation danger.) This criterion was evaluated by setting down six ways (other than simple radon diffusion) by which a pile's radioactivity may spread, then determining how many of them applied to a given site.

The six routes are wind or water erosion (as verified by visual evidence), a stream or river close to the site (which would carry contaminated water elsewhere), possible underground water pollution, human removal of tailings for private use (usually for landfill), the presence of dwellings or industry within the half-mile radius, and "other on-site hazards." At 17 of the sites, no more than three of these problems apply. Only at the Salt Lake City site are all six situations present.

With regard to the other criterion, "potential exposure to a large population," the Salt Lake data is equally conspicuous. The population within ten miles of most inactive uranium mill sites is relatively small, usually a few thousand. For example, 4,100 people live within ten miles of the Lakeview, Oregon site; the figure is 1,100 for the mill at Green River, Utah; 12,100 at Durango, Colorado; and only 10 at Converse, Wyoming. A significant site is Grand Junction, Colorado, where 43,500 people live within ten miles of a tailings pile. But Salt Lake City, with about 444,000 residents in side the limit, is in a class by itself.

Of course, this doesn't mean that the entire population of Salt Lake Valley is in danger of absorbing dangerous radiation. The ten-mile calculations were reckoned only to determine the *potential* hazards, should something go awry with the distribution of the tailings' radioactivity.

But for the 163 people who live within the half-mile radius of the Vitro site—and for the many more who work in buildings in or near that radius—the chances of lung cancer are tremendously increased. The workers at a sewage treatment plant located on the same property as much of the tailings, either don't know or don't care about the danger. One would suspect that the former is the case; no data has ever been collected on the specific Salt Lake situation, but similar experiments with radioactive materials may indicate that working at the plant is potential suicide.

"In the vicinity of the pile itself, just where the wind has carried radioactive material out, we have found places where the radiation was about 80 times as high as normal background radiation," says Dr. Robert C. Pendleton, associate professor of radiological health at the University. Background radiation is the relatively safe dose resulting from radioactive materials in the earth and from gamma ("cosmic") rays from outside the earth's atmosphere.

"The background radiation here is about .02 milliroentgens an hour. Over the top of the pile and right adjacent to it, we measured one to one-and-a-half milliroentgens an hour," Pendleton says. "To put this in perspective, if you have a bone of one milliroentgen per hour, the law requires that dosimeters be installed to keep watch on the radiation, and that people be kept under constant medical surveillance. Well, obviously, it is not a safe place to be."

Pendleton, who is on the state's advisory committee on science and advisory committee on science and technology, is a "radiation ecologist" and has been interested in the Vitro problem for years. He gives a frightening description of the consequences of the diffusion of radon and its by-products.

"The unit of measurement used in talking about the radiation dose to the lungs is called the working-level-month per year. One-hundredth of a working-level-month per year is all that's considered safe. Uranium miners are permited up to four working-level-months per year, but they're put under close surveilliance. In the past, uranium miners in uncontrolled mines have had a startingly high rate of lung cancer.

"On top of the Vitro pile itself, we record about four working-level-months per year. Now, anyone working there would be getting the same dose as a uranium miner, only *without* benefit of control or protection.

"Now there are some buildings adjacent to the site where the public health service and the EPA have agreed that people there are getting 40 to 100 working-level-months per year. That gives you an idea of the extremes associated with living close to the thing. My tests pretty well verify the AEC and EPA studies.

"Well, the situation we have is a dangerous pile of toxic material sitting in the middle of the population and adding a known carcinogenic material to the air available to anyone in the vicinity.

INFESTS IRRIGATION SYSTEM

"We've also found that wind and water transport material from the pile into the mill creek on the property, where it is taken to the Jordan River. We've found considerable amounts of the material everywhere in the Jordan below the site. It gets into the irrigation system and especially the duck marshes. In the Jordan delta, water may evaporate and leave the residue behind.

"Now, radium has a half-life of 1620 years. That means it'll be ten thousand years before the quantity is very small, and it'll still be a pain in the neck. Given enough time, a large part of the stuff could be down in the farmlands or blown in the vicinity of Salt Lake itself.

"Oh, it's a marvelous riddle. A company that no longer exists put the materials there. They were supplying materials for the AEC, under procedures presumably approved by them. Who gets rid of it? The big problems are funding and assignment of responsibility. But we cannot let economic or political considerations lead us to condone a pile of toxic material left to pollute the atmosphere."

Dr. Lyman Olsen, director of the State Social Services Department's health division, called attention to facts that would mitigate the radiation effects considerably. He estimates that constant exposure to considerable radiation doses would have to go on for 20 to 50 years before cancer results. "When they performed atomic-bomb tests on South Pacific atolls, the natives were exposed to massive radiation doses for twenty years before any thyroid cancer cases developed," he said.

Olsen also notes that continuous radiation measurements have never been made at or near the Vitro site. "The only measurements have been spot checks, and they vary with prevailing wind conditions or ventilation. The higher radiation levels, whatever they are, are not always maintained because of this."

Since the tailings are scheduled to be removed well before twenty or fifty years, Olsen thinks the tailings pose no health threat, even to people who live and work inside well-ventilated buildings near the pile.

In the absence of any solid experimental determinations concerning the actual effects of the Vitro radiation on humans, there's a lot of public uneasiness. Whether one feels apprehension or indifference towards the potential tailings hazard, those feelings are only based on "educated guesses" from past experience. And educated guesses, in this case, are a poor substitute for empirical investigation on the specific Vitro case. Too many variables just can't be fit into an equation: the possibility of someone or something spreading the tailings, the possibility of a given individual or group being more susceptible to radiation effects than others, and even the possibility of latent genetic mutations that could show up in coming generations.

So the public stir over removing the Vitro pile cannot be couched in concrete terms about known dangers. It is an amorphous fear, a result of not knowing just what to expect. And if that makes a difference in public reaction at all, it increases the collective sense of urgency that Salt Lakers feel about having over a million tons of radioactive waste in the valley's population center.

LONG WAIT FOR REMOVAL

Phase II of the federal program to get rid of Salt Lake's tailings will consist of examining various ways to move the material and getting ready to do so. It was scheduled to begin January 1, 1975, but is still on the drawing board. The Energy Research and Development Agency (ERDA), which replaced the AEC last week as the government's energy agency, is still waiting for a transfer of funds from the EPA so that Phase II can begin. Frank McGinley, engineering and safety branch chief of the ERDA's Grand Junction office, says he expects the transfer to come through "soon."

The first part of Phase II involves evaluating the various proposed plans for moving the tailings and making cost estimates on them. The ERDA and EPA don't have capabilities for the removal themselves, so they will have to go to an independent contractor. This was to be completed by June 30, 1975, but now it will more likely be six months from whenever Phase II gets underway.

In the second part of Phase II, originally scheduled to start on August 1, working drawings and other preparations will be made for putting the chosen plan into action. This stage was supposed to be completed by January 1, 1976; revisions now move that date a few more months into the future.

But even then, tailings removal will not be possible. "After we finish Phase II and get all the plans and cost information ready, that information has to be returned to Congress, then Congress has to pass the enabling legislation, and also the appropriations to provide federal funds for the actual removal," says McGinley.

The only other time Congress passed such a measure was a few years ago, when it authorized Federal money to help the city of Grand Junction, Colorado, clean up a tailings pile. That measure took a year to get passed—not because of opposition to the bill, but because it had to work its way through the proper Congressional channels. This indicates that although Congress will be ready for Moss' bill in mid-1975, it will be mid-1977 by the time the measure is approved.

THREE YEARS AT LEAST

It would seem that things couldn't get any worse at this point—but they do. It takes time to move over a million and a half tons of anything. "In Salt Lake City, if it were determined that the tailings and other radioactive materials should be moved, it would take about three years at the outloading rate of 2,000 tons per day, an optimistic removal rate," says the AEC-EPA report.

So Salt Lake City, having hoped since 1968 that a potentially lethal problem would be alleviated, must continue to wait until at least 1980. In the meantime, public officials

and private citizens alike will probably be doing the same thing they've done for the past few years: react with the appropriate outrage and wonder why someone can't just pick up the stuff and take it away. In addition to Senator Moss' and former Congressman Owens' actions, the situation has drawn criticism from Utah's Democratic Congressman Allan Howe and Republican Senator Jake Garn.

And the owners of the black-balled property, Eugene Moench and David Brinton, are as critical as anyone about the Vitro state of affairs. "They've really scuttled me," says Moench, who claims that the AEC assured him the tailings were harmless when he bought the property in 1971. "Now they're saying there's dangerous radioactivity there, but they've built schools and other buildings over other tailings sites." Moench feels that much of the adverse publicity given to the case resulted from "people wanting to get into the news."

Moench has also said he "expected and demanded immediate action" and hinted that he may consider legal action against the State Board of Health and the AEC, now the ERDA. "I've got a good case. They know that, and that's part of the reason they're Moench purchased the land, he has sold some of it to Brinton, where the sewage disposal plant is operating. Brinton's land contains the greater part of the tailings.

Moenich says he "isn't worried" about having to wait until 1980 before his land can be developed, but even then, he may have to face the possibility that new radiation problems may have sufaced by then, which would make the land a nuisance rather than an asset.

But it appears that there's nothing Moench can do to get his "immediate action", no matter how badly he wants it. And neither can the City-County Board of Health, the State Health Department, the EPA, Calvin Rampton, Frank Moss, the Joint Committee on Atomic Energy, or the ERDA. Each agency is limited to doing what it can, then sitting back to watch the wheels of man-made bureaucracy turn slowly and haltingly.

And in the meantime, the jetsam of man-made technology, occupying an open field in the middle of a major metropolitan area, will continue to produce and release a potentially toxic series of chemicals, day in and day out, for the next five years.

S. 1199

Be it enacted by the Senate and House of Representatives of the United States of America in Gongress assembled, That in recognition of the problems caused by concentrations of radon 222 in the vicinity of uranium tailings piles, known as the Vitro tailings pile in the vicinity of 3300 South and 900 West Streets, Salt Lake City, Utah; and because of the danger to public health of atmospheric concentrations of radon 222, the Energy Research and Development Administration is hereby authorized and directed to enter into a cooperative arrangement with the State of Utah under which such Administration will provide 75 per centum of the costs of a State program to be conducted in the area of the Vitro tailings site in Salt Lake City of appropriate remedial action to remove and dispose of the Vitro uranium mill tailings.

SEC. 2. There is authorized to be appropriated such sum, not to exceed $10 million, as may be necessary to carry out the purposes of this Act.

By Mr. BELLMON (for himself, Mr. JAVITS, Mr. STENNIS, and Mr. HUDDLESTON):

S. 1200. A bill to establish a program to provide needy urban youth with summer job opportunities on farms, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BELLMON. Mr. President, today I am introducing a bill to create the Summer Food Corps. This bill is intended to provide meaningful and beneficial summer employment for young Americans from our cities. It will fill a real need for more farm and ranch workers to produce the food we need now as never before. The bill will also help to develop a reserve of trained food production workers in America. In addition it will provide the means for better understanding between America's urban and rural citizens.

How many of our Nation's people really know where the food on their table comes from? This program—the Summer Food Corps—will provide the opportunity for young city dwellers between the ages of 16 and 21 to have a meaningful role in the food production process. And perhaps just as important, they will gain a greater understanding of the processes involved in food production.

Young men and women, participating in the Summer Food Corps, will be provided meaningful jobs on American farms and ranches. That opportunity simply does not exist at this time since few city youths have the funds available to travel into rural areas where jobs can be found. Even if funds are available these young people have difficulty finding the jobs. This bill will offer them an alternative to wasted, idle summers. This bill will give these youngsters an opportunity to live and work in a farm or ranch environment for at least one summer in their lives.

For at least one summer in their lives, they will be actively engaged in the production of food and fiber—wheat, cotton, corn, rice, soybeans, cattle, fruit, and vegetables. Today, if a farmer or rancher wanted to offer summer employment to an urban young man or woman he would have difficulty knowing how to proceed. Also he would be forced to pay travel expenses for a worker who might work for only a short time. The worker would likely be untrained and unproductive for an extended time.

There is protection in this program for participant and farmer alike. The bill sets up procedures through the Cooperative Extension Service to identify, screen, and qualify responsible and receptive farm and ranch operators who need help and agree to hire eligible youths selected under this act. Summer Food Corps participants would be provided jobs with cooperative farm or ranch employers for periods of summer employment of not less than 6 weeks nor more that 15 weeks.

This bill provides procedures for payment of travel for the worker to the job site. It provides insurance relieving farm and ranch employers from liability for any civil action brought by any eligible youth arising out of the period of employment in the program.

One of the great needs in this country is for a better rural-urban understanding. Hopefully, the Summer Food Corps program will benefit both country and city people. It will help build a bridge of understanding between these two vital segments of American life.

Mr. President, I urge the Senate to take prompt and favorable action on this Summer Food Corps bill so the program may be put into action this coming summer.

I ask unanimous consent that a copy of this bill be printed in the CONGRESSIONAL RECORD.

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

S. 1200

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 "Summer Food Corps Act".

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to establish a Summer Food Corps which will provide (1) an opportunity for better understanding of the Nation's food production processes, (2) improved rural-urban relationships, (3) develop a reserve of trained food production workers, (4) meet the need for farm and ranch workers to produce an adequate world food supply, and (5) provide productive summer employment for urban youth.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "eligible youth" means any young individual who—

(A) is a citizen of the United States and who has attained age sixteen but not attained age twenty-one at the time of selection for the program authorized by this Act;

(B) resides in an urban community;

(2) "Secretary" means the Secretary of Agriculture; and

(3) "State" means the several States and the District of Columbia.

SUMMER FARM JOB PROGRAM AUTHORIZED

SEC. 4. (a) The Secretary is authorized to establish and carry out a summer farm job program for eligible youth. In carrying out such a program the Secretary shall—

(1) establish procedure, after consultation with the Secretary of Labor to enable the United States Employment Service to identify, recruit, and select in accordance with section 4(a) of this Act, eligible youth who desire to become Summer Food Corps members and work during the summer on a farm or a ranch;

(2) establish procedures through the Cooperative Extension Service to identify, screen, and qualify farm and ranch operators who are reputable and agree to hire eligible youth selected under this Act to become Summer Food Corps employers and to assign selected eligible youth to farm or ranch employers participating in the program authorized by this Act for periods of summer employment of not less than six weeks nor more than fifteen weeks;

(3) establish procedures to assure that farm and ranch employers participating in the program authorized by this Act will pay each such youth an amount in cash per week that, when added to the furnishing of room and board for such youth, is equal to the minimum wage required to be paid under section 6(a)(5) of the Fair Labor Standards Act of 1938, for a 50-hour workweek but in no event less than $30 per week, including procedures for the payment of such amount at the end of the summer work period if the eligible youth participating in the program so desires;

(4) make whatever arrangements are necessary to obtain insurance relieving farm and ranch employers participating in such program from liability for any civil action brought by any eligible youth arising out of the period of employment in the program authorized by this Act including liability

for injury to or the death of any such youth arising out of such period of employment;

(5) make the transportation payment authorized by section 5 of this Act;

(6) coordinate with the Secretary of Labor in the selection of urban youth who are interested in and qualified to become participants in the Summer Food Corps;

(7) provide, through the local or state extension service or land grant university, for the care and the conduct (including living expenses, if necessary) of appropriate training prior to employment for eligible youth after selection within the state or county of employment to which such youth are assigned for a period not to exceed 5 days;

(8) pay transportation back to the place of residence of any youth found to be physically or otherwise disqualified during training period pursuant to such criteria as the Secretary may prescribe;

(9) provide for periodic visits by local extension agents during the summer to assure the health and welfare of such youth; and

(10) carry out such other activities as he deems necessary to carry out the objectives of this Act.

LIMITATION ON SELECTION; EXCLUSION

SEC. 5. (a) No individual shall be selected as an eligible youth under this Act unless it is determined that there is a reasonable expectation that that individual can successfully complete the summer job employment program authorized by this Act.

(b) Eligible youth selected for the summer job program under this Act shall not be considered federal employees for any purposes.

TRANSPORTATION PAYMENTS

SEC. 6. (a) The Secretary is authorized to furnish eligible youth selected under this Act transportation from the place of residence of such a youth to the farm or ranch at which he will be employed.

(b) If an eligible youth is selected and successfully completes the period of employment, the Secretary is authorized to furnish transportation from the farm or ranch at which he was employed to his place of residence.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In order to carry out their functions under this Act, the Secretary, and the Secretary of Labor, are authorized to—

(1) establish, rescind, and amend such rules and regulations as may be necessary;

(2) appoint and fix the compensation of such employees as may be necessary;

(3) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code;

(4) secure from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the United States Government, or of any State, or political subdivision thereof, information, estimates, and statistics required in the performance of their functions under this Act;

(5) enter into and perform such contracts, cooperative agreements or other arrangements as may be advisable without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) and other provisions of law relating to competitive bidding; and

(6) accept and use with their consent, with reimbursement, such services, equipment and facilities of other Federal agencies are are necessary to carry out such functions efficiently, and such agencies are authorized to loan, with reimbursement, such services, equipment, and facilities to the Committee.

(b) Each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed to furnish such information, estimates, and statistics directly to the Department of Agriculture or the Department of Labor upon written requests made by the appropriate Secretary.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated $20,000,000 for the fiscal year 1975 to carry out the provisions of this Act. Any amounts so appropriated for such fiscal year which are not obligated prior to the end of such fiscal year shall remain available for obligation until October 1, 1975.

By Mr. PACKWOOD (for himself, Mr. MCCLURE, Mr. STEVENSON, Mr. STAFFORD, Mr. BROCK, Mr. BENTSEN, Mr. DOMENICI, Mr. CRANSTON, Mr. BIDEN, Mr. DOLE, Mr. GARN, Mr. BUCKLEY, and Mr. TUNNEY):

S. 1201. A bill to increase the aggregate gross compensation which may be paid to employees in the office of a Senator and to permit funds available for such purpose to be used to purchase or lease additional mechanical office equipment. Referred to the Committee on Appropriations.

Mr. PACKWOOD. Mr. President, there are few Members of this body who have not on occasion experienced deep frustration and dissatisfaction with the mechanical office equipment provided for Senators and their staffs.

Many of us have found our effectiveness diminished because we simply do not have enough automatic typing machines to do our jobs.

I receive roughly 300 letters in my office every day. The one theme I find running through all those letters is the unresponsiveness of the Federal Government. They cannot get an answer. All my constituents want is a final yes or no from a Federal department or agency, and they cannot get it.

Mr. President, when I receive letters like those, I want to be responsive, and I know my colleagues do as well. But regardless of our intentions, we cannot help but fall short if we continue to allow ourselves to be handcuffed by inadequate equipment allocations.

The legislation which I am introducing today will not provide a complete solution to the problem, but it will give Senators greater flexibility in dealing with it.

The bill has two purposes. First, it would allow Senators to use funds from their clerk-hire allowance to purchase or lease mechanical office equipment. The Sergeant at Arms would still be required to provide a minimum base of equipment. But if a Senator feels that the amount of equipment provided under current procedure is not adequate for his needs, and if he is willing to divert a portion of his clerk-hire allowance for the purchase of equipment, then he would be able to do so.

Second, my proposal would provide a very modest increase in the clerk-hire allowance for the purchase or lease of equipment. The proposed increase moves on a sliding scale from $25,000 for the smallest States to $41,000 for the largest States. Such an increase seems appropriate because of the actions taken in 1973, when we switched to the present system of purchasing equipment. The requested increase in clerk-hire allowance was reduced substantially that year, the argument being that we were saving money because we would no longer have to buy equipment.

While the increase proposed in this bill would be intended for the purchase or leasing of machines, it could also be used for hiring additional staff if that is the preference of the individual Senator.

Mr. President, I ask unanimous consent that a table showing the proposed increase in clerk-hire be printed at this point in the RECORD.

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

PROPOSED INCREASE IN CLERK HIRE

State population (in millions)	Current	Proposed	Difference (actual increase)
Less than 2	$392,298	$417,298	$25,000
2 to 3	404,076	430,076	26,000
3 to 4	432,464	459,464	27,000
4 to 5	469,006	497,006	28,000
5 to 7	498,904	528,904	30,000
7 to 9	530,312	562,312	32,000
9 to 10	564,438	598,438	33,000
10 to 11	590,712	624,712	34,000
11 to 12	625,140	660,140	35,000
12 to 13	651,414	687,414	36,000
13 to 15	684,936	722,936	38,000
15 to 17	718,458	758,458	40,000
More than 17	751,980	792,980	41,000

Mr. PACKWOOD. It is certainly not the intent of this legislation to allow the purchase or lease of all sorts of off-brand, make-shift equipment. The purchase or lease of equipment would be limited to those items which have the approval of the Rules Committee.

In no event should this increase be regarded as a substitute for whatever additional clerk-hire allowance the Senate may approve. Nor should the increase be considered a substitute for increases in the allowance of the General Services Administration for furniture or equipment in field offices.

Mr. President, I ask unanimous consent that 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. 1201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) section 105(d) of the Legislative Branch Appropriations Act, 1968, as amended and modified (2 U.S.C. 61–1(d)), is amended—

(1) by striking out the table contained in paragraph (1)(A) and inserting in lieu thereof the following:

"$417,298 if the population of his State is less than 2,000,000; $430,076 if such population is 2,000,000 but less than 3,000,000; $459,464 if such population is 3,000,000 but less than 4,000,000; $497,006 if such population is 4,000,000 but less than 5,000,000; $528,904 if such population is 5,000,000 but less than 7,000,000; $562,312 if such population is 7,000,000 but less than 9,000,000; $597,438 if such population is 9,000,000 but less than 10,000,000; $624,712 if such population is 10,000,000 but less than 11,000,000; $660,140 if such population is 11,000,000 but less than 12,000,000; $687,414 if such population is 12,000,000 but less than 13,000,000; $722,936 if such population is 13,000,000 but less than 15,000,000; $758,458 if such population is 15,000,000 but less than 17,000,000; $792,980 if such population is 17,000,000 or more."; and

(2) by adding at the end thereof the following new paragraph:

"(3) Within the limits prescribed by paragraph (1) of this subsection, funds available for salaries of employees in the office of a Senator may be used by that Senator to purchase or lease mechanical office equipment which (A) is the same type as that furnished by the Sergeant at Arms of the Senate, under regulations prescribed by the Committee on Rules and Administration of the Senate, to a Senator for use in his office and (B) is in excess of the mechanical office equipment which may be furnished, under such regulations, to that Senator for use in his offices."

(b) The amendments made by subsection (a) shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

By Mr. LAXALT:

S. 1202. A bill granting the consent and approval of Congress to the California-Nevada interstate compact. Referred to the Committee on the Judiciary.

Mr. LAXALT. Mr. President, in 1955, California and Nevada created a commission to negotiate a compact which would provide for equitable allocation and use of water between both States. Among the commission's principal objectives were: First, to promote intergovernmental cooperation: second, to enhance economic development in the area; and third, to insure the most orderly, integrated and comprehensive development, conservation, and control of the water contained within the Lake Tahoe, Truckee River, Carson River, and Walker River basins.

After more than 12 years of negotiations, this commission came forth with a proposed bistate compact, which was subsequently amended and passed by the California Legislature in August of 1970 and by the Nevada Legislature in March of 1971. Although ratified by both legislatures, this compact must under our Constitution also be consented to by the Congress. Accordingly at the request of both the Nevada and California members of the Interstate Compact Commission, I intend to submit this legislation for appropriate consideration by the Congress.

Quite frankly, a similar presentation was made in both the 92d and 93d Congresses by my esteemed predecessor, Senator Alan Bible and little if any action was taken upon it. Personally, I find this inaction distressing given the significance of the compact for our area.

I have been advised that several Federal agencies have objections to the compact. But to date, they have failed to come forward with a clear and concise position. It is my hope by holding early committee hearings we will be able to dispose of these shadowy rumors in such a way as to bring this necessary compact finally to fruition.

By Mr. SCHWEIKER (for himself and Mr. JAVITS) (by request):

S. 1203. A bill to amend the Public Health Service Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, the Drug Abuse Office and Treatment Act of 1972, and to revise and extend programs of health services, and for other purposes. Referred to the Committee on Labor and Public Welfare.

HEALTH SERVICES AMENDMENTS OF 1975

Mr. SCHWEIKER. Mr. President, I am introducing at the request of the administration on behalf of myself and Senator JAVITS a bill to consolidate separate project grant programs containing separate appropriations authorizations and extend them through 1978. The activities are those designed, first, to assist in the prevention and treatment of alcoholism—parts C and E of the Community Mental Health Centers Act, and drug abuse—section 410 of the Drug Abuse Office and Treatment Act of 1972; second, to provide health services for domestic agricultural migrants—section 310 of the Public Health Service Act; third, to render services, disseminate information, and promote research in the field of family planning—title X of the Public Health Service Act; and fourth, to develop and support selected health services programs—section 3149e—of the Public Health Service Act.

The consolidated provision would also authorize the use of project grants for amortization of principal, and payment of interest, on loans for facilities or to centers in existence prior to calendar year 1975 for the construction or acquisition of facilities used for program purposes, and for the payment of costs of minor remodeling.

In addition the bill would establish a single advisory committee, the "National Advisory Council on Health Services," to advise on the administration of health services programs and to perform the functions now performed by the National Advisory Mental Health Council, and the National Council on Alcohol Abuse and Alcoholism. The new council would also replace the National Migrant Health Advisory Committee and the Secretary's Advisory Committee on Population Affairs, both of which the Secretary created administratively.

Finally, the bill would repeal a requirement enacted by the Health Services Research and Evaluation and Health Statistics Act of 1974, over the Department's objections at the time, to require that not less than 25 percent of the annual appropriation for health service research, evaluation, and demonstration activities under section 304 or 305 of the Public Health Service Act be for activities directly undertaken by the Secretary.

A separate title II of the bill would extend for fiscal years 1977 and 1978 the program of formula grants under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and for fiscal years 1976, 1977, and 1978 the program of formula grants under the Drug Abuse Office and Treatment Act of 1972.

Mr. President, I ask unanimous consent that the full 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. 1203

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Services Amendments of 1975".

TITLE I—HEALTH SERVICES PROJECT GRANTS; ADVISORY COUNCILS; INTRAMURAL RESEARCH

EXTENSION AND REVISION OF PROJECT GRANTS

SEC. 101. Effective with respect to fiscal years beginning after June 30, 1974, section 314(e) of the Public Health Service Act is amended to read as follows:

"(e)(1) There are authorized to be appropriated $463,000,000 for the fiscal year ending June 30, 1975, and $425,000,000 for the fiscal year ending June 30, 1976, and for each of the next two fiscal years, for grants to any public or nonprofit private entity to pay part of the cost of—

"(A) preventing or treating alcoholism and drug abuse;

"(B) providing or operating centers to make available comprehensive health services (as defined by the Secretary);

"(C) providing or operating health service clinics for domestic agricultural migratory workers or for projects in improving health care or conditions of these workers or their families, or to encourage and cooperate in programs to improve their health services or conditions, including the support of services to seasonal agricultural workers when it contributes to improving the health conditions of migratory workers;

"(D) providing services (including related training) in the field of family planning; or

"(E) providing services (including related training) to meet health needs of limited geographic scope or of specialized regional or national significance.

"(2) With respect to a facility or center, or portion thereof, used or to be used for a purpose enumerated in the preceding paragraph, the Secretary may provide, upon such terms as he deems necessary to protect the financial interest of the United States, that a grant under this subsection shall be available to pay the cost (in addition to any cost for which it may otherwise be made available under that paragraph) of—

"(A) in the case of a facility or center in existence prior to January 1, 1975, amortizing the principal of, or paying the interest on, a loan for the facility's or center's acquisition, construction, expansion, alteration, or remodeling (including a facility or center acquired from, or constructed in connection with, any program or project transferred to the Secretary from the Office of Economic Opportunity), including architects' fees and the cost of acquiring land; or

"(B) its minor remodeling or minor alteration, including architects' fees."

CONSOLIDATION OF ADVISORY COUNCILS

SEC. 102. (a) There is enacted a new section 316 of the Public Health Service Act to read as follows:

"NATIONAL ADVISORY COUNCIL ON HEALTH SERVICES

"SEC. 316. (a) The Secretary shall appoint without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, a permanent body to be known as the National Advisory Council on Health Services. The Council shall consist of the Secretary or his designee, who shall be the chairman, and not to exceed twenty members, not otherwise in the regular full-time employ of the United States, who are (1) leaders in health care administration or the provision of health services, or (2) representatives of consumers of health care. At least one-third of the appointed members shall be individuals representing the consumers of health care. Insofar as practicable,

the members shall be appointed from different geographic areas of the United States and, in the aggregate, shall be representative of all areas within the United States in which health services are provided, or their provision assisted, under this Act.

"(b) Each appointed member of the Council shall hold office for such term as the Secretary shall prescribe.

"(c) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but at rates not exceeding the daily equivalent of the rate specified at the time of service for GS-18 of the General Schedule (as limited by section 5308 of title 5 of the United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the government service employed intermittently.

"(d) The Council shall advise the Secretary as to matters of policy arising with respect to the financing and delivery of health services under this Act."

(b)(1) Section 217(a) of the Public Health Service Act is amended—

(A) in the first sentence thereof, by striking out "the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism";

(B) in the second sentence thereof—

(i) by striking out "the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, and", and

(ii) by striking out "psychiatric disorders, alcohol abuse and alcoholism, and dental diseases and conditions, respectively" and inserting "and dental diseases" in lieu thereof; and

(C) in the fourth sentence thereof—

(i) by striking out "(other than the members of the National Advisory Council on Alcohol Abuse and Alcoholism)";

(ii) by inserting "and" before "(2)"; and

(iii) by striking out "; and (3)" and the remainder of clause (3) preceding the period.

(2) Section 217(b) of such Act is amended, in the second sentence thereof, by striking out "mental health, alcohol abuse and alcoholism,".

(3) Section 217(e) of such Act is repealed.

(4) Section 217 of such Act is further amended by striking out subsections (c) and (d) thereof.

(c)(1) Section 303(b) of such Act is amended by striking out "may be made only upon recommendation of the National Advisory Mental Health Council. Such grants".

(2) Section 303 of such Act is amended by adding a new subsection (c) to read as follows:

"(c) The National Advisory Council on Health Services shall advise the Secretary on matters of policy arising in the administration of this section."

(d) Section 329(e)(1)(E) of such Act is amended by striking out "National Advisory Council on Comprehensive Health Planning" and inserting "National Advisory Council on Health Services" in lieu thereof.

(e) Section 223 of the Community Mental Health Centers Act is amended by striking out ", after consultation with the National Advisory Mental Health Council (appointed pursuant to the Public Health Service Act),".

(f) Section 266 of such Act is repealed.

REPEAL OF REQUIREMENT THAT NOT LESS THAN 25 PER CENTUM OF HEALTH SERVICE RESEARCH, EVALUATION, AND DEMONSTRATION ACTIVITIES APPROPRIATION BE EXPENDED FOR DIRECT ACTIVITIES OF THE SECRETARY

SEC. 103. The second sentence of section 308(i)(1) is repealed.

TITLE II—EXTENSION OF ALCOHOLISM AND DRUG ABUSE FORMULA GRANTS

ALCOHOLISM

SEC. 201. Section 301 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended (1) by striking out "and $80,000,000 for the fiscal year ending June 30, 1976," and (2) by inserting after "1975," the following: "and $46,000,000 for the fiscal year ending September 30, 1976, and for each of the next two fiscal years".

DRUG ABUSE

SEC. 202. Section 409 of the Drug Abuse Office and Treatment Act of 1972 is amended (1) by striking out "and" before "$45,000,000" and (2) by inserting after "1975," the following: "and $35,000,000 for the fiscal year ending June 30, 1976, and for each of the next two fiscal years".

By Mr. DOLE:

S. 1206. A bill to assure foreign countries that reserve stocks of agricultural commodities stored in the United States under certain conditions shall not be subject to export controls. Referred to the Committee on Banking, Housing and Urban Affairs.

FOOD SECURITY BILL

Mr. DOLE. Mr. President, the debt over setting up food reserves has uncovered a dilemma presented by the national benefit of expanding exports of farm commodities and the need to maintain an adequate supply for our own use. I am introducing today a bill which, if enacted, would help resolve that dilemma by promoting more orderly marketing and by facilitating better long-range planning by farmers of planting and crop requirements. This legislation would permit foreign nations to establish their own food reserves in the United States using our tremendous storage and production capacity, and improving our own supply and economic situation.

The bill is simple in concept. If a foreign country or company buys and stores an agricultural product 12 months or more and certifies it to be part of a reserve, that purchase will be exempt from any U.S. export controls or restraints under this legislation.

A country or company wanting to establish reserves here would apply to the Department of Commerce for exemption of the stocks from any future export restraints and would certify the purchase to be a reserve. The Department of Commerce, after reviewing the purchase and certification in cooperation with the Department of Agriculture, would issue a document authorizing export shipment of the reserve, regardless of export restraints that might be instituted.

PROTECTION FOR UNITED STATES AND FOREIGN PARTIES

To prevent any situation where a foreign power or source with malicious aims could buy such a large reserve stock as to cause problems for our own food supply, the Secretaries of Commerce and Agriculture would have the discretionary authority to review the size of the purchases. By the same token, foreign countries must know that we will not go back on our word to permit the reserve to be exported. Documents issued by the Commerce Department would give shipment authority and provide the necessary assurance.

Foreign buyers would probably want to buy reserve stocks when our market is relatively soft. That would be to our advantage as it would bolster our trade balance and our agricultural and related sectors. Next year, for example, the Department of Agriculture is predicting abundant production. Those predictions may or may not be true and are never realized until the crop is harvested and stored. But if we do have an abundant harvest, we should share that abundance and would benefit by reserve purchases by foreign buyers.

OPPOSING AIMS RESOLVED

There has been more concern and controversy in the past 2 years about an adequate supply of food than in many previous decades—perhaps in the entire history of the United States. Various sectors in the food industry have taken opposing stands on the need for setting up a food reserve.

Farmers have sought to keep the export market open in order to keep a strong market for farm commodities and to provide a better return on their investment. Economists and many in the Government support a high level of exports in order to improve our trade balance and real income.

Some grain processors have pressed for grain reserves or export restrictions to insure ample supplies of grain at stable or lower prices. Consumer representatives have also sought these actions.

Both sides have been frustrated by large fluctuations in the price of farm commodities that have resulted from volatile market conditions.

My legislation would allow both sides to meet their needs to a greater degree. It would also help other nations to help themselves in meeting their own food requirements.

PRESIDENTIAL SUPPORT

The U.S. policy on food reserves was outlined by President Ford in his speech to the United Nations General Assembly on September 18, 1974. He said:

> To insure that the survival of millions of our fellow men does not depend on the vagaries of weather, the United States is prepared to join in a worldwide effort to negotiate, establish, and maintain an international system of food reserves. This system will work best if each nation is made responsible for managing the reserves that it will have available.

Some officials have expressed favor for a system of internationally coordinated but nationally held food reserves. Support has been expressed for cooperation in reasonable international efforts to sustain reserves to meet emergencies within the framework of such a system.

GOVERNMENT RESERVES HARMFUL

I do not favor U.S. Government owned food reserves since they would depress prices and destroy farmer production incentives, just as Government held stocks in the past have kept prices artificially depressed. Reserves should be held in the private sector—by farmers and by grain storage companies.

For many years the United States and

Canada carried the world's food grain reserves. Reserves resulted from price support programs that channeled surport programs that channeled surplus products into the ownership or control of the Government. Other countries priced their products on the world market just under the release price established by the Commodity Credit Corporation. The CCC became a residual supplier. Food deficit nations were comfortable in the knowledge that substantial reserves were always available at a price not to exceed the CCC release price plus freight. Under those circumstances, few nations were concerned about maintaining adequate food security. Food importing nations did not bother to build storage capacity for adequate reserve supplies.

GOVERNMENTAL RESTRICTIONS HARMFUL

In addition to that lesson, we have been through two periods of ad hoc measures taken by the Government in reaction to food scares. Export controls or restrictions have been advocated by some for their own political or economic gain. We should know by now how counterproductive trade restrictions can be.

We learned from the 1973 soybean embargo just how self-defeating export restrictions can be. That embargo succeeded in scaring the daylights out of our good customers around the world. The recent mild prior approval program proved its disservice to American agriculture. Both the embargo and the prior approval system interferred with the price and incentive mechanism. Both were disruptive and caused dislocations in the market.

BENEFITS TO IMPORTING NATIONS

I have given much thought to the problems created by the soybean embargo and its relationship to reserves. Therefore, I am proposing a bill which will provide assurance to foreign buyers that if they purchase grains or oilseeds or the products thereof, agree to store the commodities in the United States for at least 12 months as a reserve, and make appropriate application, that upon approval the United States will guarantee that such quantity of the commodity will not—repeat, will not—be affected in case of the imposition of export controls. This will encourage foreign buyers to store commodities in the United States and make timely purchases when they feel such action is in their best interest for the acquisition of reserves.

By exempting those reserves from any export restrictions, we will help consuming countries manage their own inventories from production season to production season. They will be able to protect themselves through forward buying and assurances of supplies. On the foreign front it will enable nations to buy ahead. They will not have to live on a hand-to-mouth basis. They will be able to acquire and manage their own inventories located here or in their own countries.

This is legislation that accords with the philosophy of the World Food Conference in Rome. It facilitates and encourages steps to resolve the perennial starvation and malnutrition in various places around the world. Yet it allows the nations in need of food to help themselves. After all, each individual nation should be best able to recognize its own food requirements.

The philosophy of our own food for peace program has been to help less fortunate nations help themselves. My bill accords with that philosphy.

We have a great storage capacity already in existence—available for other nations to place their reserve stocks at appropriate rates. That storage system was built to contain the huge CCC surpluses that existed a few years ago and is now being underused. If Foreign Nations are permitted to use this storage, they will be able to establish reserve stocks without making the huge capital investments for storage facilities.

Many nations like India and Bangladesh have heavy economic burdens already. It makes sense to let them use the storage facilities we have already built so they can establish reserve stocks without the additional expense of building storage.

BENEFITS TO UNITED STATES

The benefits of this bill are not just for foreign countries, but apply equally to the United States.

The biggest advantage for us is that planning and orderly marketing will be greatly improved. When foreign buyers contract for 12 months or more in advance, producers will be able to increase their planting intentions to meet the demand.

American agriculture has a tremendous capacity to produce. When stronger market prices signal higher demand, farmers do everything possible to produce bigger and better crops. When weak market prices signal lower demand, farmers begin to cut back production as they are now. Advance contracting of 1 year or more would give farmers the market signals they need to meet the demand.

Buying a year in advance should also stabilize market prices. Seasonal buying by foreign nations has frequently caused sharp escalations in prices. Domestic processors and users of farm commodities have been frustrated by price rises, because of problems created for cash flow planning and operating costs. Producers have been frustrated when prices have later fallen.

By purchasing reserve stocks for 1 year or more in advance, foreign countries should have less need to make last minute purchases that cause volatile market fluctuations. Processors and producers alike would then be able to better plan income and operating costs.

So this legislation should reduce fluctuations in the market. By doing so, it will reduce the likelihood of our getting into self-defeating export restrictions that have been the reaction to sharp price increases.

DOMESTIC NEEDS ASSURED

Since foreign needs will be met partially or totally in advance, our own food requirements will be better protected against unexpected drawdowns by export sales. Knowing foreign intentions further in advance, farmers will be able to better plan for a level of production adequate to meet our own and foreign needs. That should avoid any need to accumulate Government held food stocks in this country which in the past has forced prices so low.

Critics of this measure will probably argue that by exempting reserves for foreign countries from any U.S. export restrictions, we could find ourselves, in the event of a severe crop failure, shipping food stocks abroad while the American public suffers. Such an argument is invalid.

Regardless of the proportions of a crop failure, market conditions would always apply to grain purchased by a foreign buyer for a reserve. In the event a domestic shortage might arise, foreign buyers would have a price incentive to sell their reserve stocks back to U.S. buyers. So we are protected by the market mechanism. And as I stated before, by improving the ability of farmers to plan ahead, we better protect ourselves from shortages in the first place.

Finally, by encouraging foreign buyers to store reserve commodities in this country, we put to use the vast storage facilities we have built up in this country in past years. Instead of setting idle, as they are now, our storage facilities would be earning an appropriate return.

NO ADDITIONAL COST

This legislation would incur no additional cost to the U.S. taxpayers. By its stabilizing effect on the market, I believe it would result in lower food prices for American consumers. So at no additional costs to ourselves, we could greatly enhance our own and the world's food security.

SUMMARY OF BENEFITS

The benefits that would result from this legislation are numerous and I would like to reiterate them here in short form:

First. Encourage importing nations to make long-term coverage of their food needs;

Second. Increase U.S. effectiveness in easing world food shortages without additional cost to U.S. taxpayers and consumers;

Third. Transfer foreign food requirements planning from this Nation to the countries in need where it should be done;

Fourth. Strengthen farm commodity markets;

Fifth. Facilitate better crop planning by U.S. producers;

Sixth. Increase food security for the United States;

Seventh. Preclude the need for U.S. food reserves;

Eighth. Stabilize our market;

Ninth. Improve operating costs planning for domestic processors;

Tenth. Put U.S. storage facilities to use; and

Eleventh. Avoid large capital outlays for foreign nations to build storage facilities for reserves.

Mr. President, this bill has tremendous potential for increasing world food security. It is consistent with our free market economy and agricultural system. It accords with our self-help philosophy of food assistance and adds no additional cost to U.S. taxpayers or consumers.

I hope we can move forward toward passage of this legislation.

Mr. President, I request 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. 1206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, foreign countries and agencies thereof and foreign companies may purchase and store United States agricultural commodities or the products thereof in the United States, and such agricultural commodities or products, if so purchased and stored as a reserve for a period of twelve months or longer upon approval by the Secretary of Commerce acting in cooperation with the Secretary of Agriculture, may be exported without regard to any export restraints or controls.

SEC. 2. The Secretary of Commerce, in cooperation with the Secretary of Agriculture, is authorized to issue such regulations as he deems necessary to carry out the provisions of this Act.

By Mr. SCHWEIKER:

S. 1207. A bill to establish the Federal Energy Production Corporation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. SCHWEIKER. Mr. President, I introduce today the Federal Energy Production Corporation Act.

My bill will allow us to begin at once to increase our supplies of energy using only domestic sources. Unlike other energy bills considered by the Senate, it emphasizes the immediate production of energy using processes currently developed, available, and capable of producing energy on a commercial scale in the immediate future. This bill would encourage the use of underutilized energy sources or unconventional energy processes for production or exploration by having Government assist the private sector in underwriting some of the financial risk in bringing these sources on stream. The unconventional processes would include, but not be limited to, production of syncrude and liquid petroleum products from coal, production of substitutes for natural gas—including coal gasification—nuclear energy from geothermal resources, solar energy, production of hydrogen gas from water sources, and the use of agricultural and urban wastes.

As my colleagues know, the Energy Reorganization Act of 1974, now Public Law 93–438, is a significant first step in expediting our domestic energy program. But the Energy Reorganization Act is only a first step, and its main focus is on energy research programs. The bill I introduce today is the second step: It provides Federal incentives for expedited production of nonconventional domestic energy sources.

Perhaps even more important, my bill authorizes the Federal Energy Production Corporation to enter price-support or long-term purchase arrangements with energy producers. Our abundant coal reserves are largely untapped, because there has never been assurance of a long-term market, at a profitable price. Production of nonconventional energy sources, such as solar and geothermal, has been virtually nonexistent, because no one is sure they will be able to sell enough energy to recover front-end production costs. For years, cheap oil made production of other energy sources impractical; even now, with the price of oil skyrocketing, no one will ever develop other energy sources unless a market—and a fair price—is assured, and my bill gives that assurance.

Finally, I would like to note that I introduced a similar measure during the 93d Congress, S. 2956, and it was referred by the Government Operations Committee to the Comptroller General of the United States for comment. The measure I introduce today incorporates the key modifications suggested by the Comptroller General, and I hope this will enable the Senate to take prompt action on my bill.

Following is a section-by-section analysis of the bill:

Section 1. Cites the Federal Energy Production Corporation Act and lists some of the energy sources which are to considered by the Corporation.

Section 2. Establishes the Corporation. The Board is composed of 15 Directors, 8 of whom shall be public officials representing the secretaries or administrators—or their representatives—of agencies with some involvement in energy. The remaining seven members are to be appointed by the President with the advice and consent of the Senate. Of these seven private members, three shall be from private industry engaged in the production of energy, and of these no two shall be from the same industry with regard to the energy source. Of the remaining four private members, one shall be from a citizen's group representing consumer interests, and one from a citizen's group representing environmental protection interests. The other two shall be from private life. The remainder of this section concerns the election of the Chairman of the Board, the definition of a quorum for conducting business, remuneration for private Board members, and the establishment of officers and employees of the Board.

Section 3. Requires the Corporation to determine within 1 year which underutilized or unconventional energy sources can be developed into energy production on a commercial basis and operating within a 24-month period of the enactment of the bill. The Board will have a variety of methods available to use in joining and assisting private industry in energy production, including the ability to enter into contracts and agreements, make grants, loan guarantees, price supports, guaranteed purchases or loans and other methods. This shall also apply to the exploration, production, or transportation of crude oil, natural gas, and coal resources.

Section 4. Details the guidelines under which the Board may receive applications and enter into financial agreements as well as the financial conditions of those arrangements. It also gives the Board authority to dispose of any energy it may acquire through price support or purchases agreements and to sell such energy in the marketplace. Revenues received from the sale of energy are to be deposited in a trust fund established in section 6 to carry out the purposes of the bill. Thus to a certain extent, funds to operate the program will be self-renewing.

Section 5. Enumerates further operating functions of the Corporation.

Section 6. Requires establishment of the Energy Production Trust Fund which the Corporation shall use in carrying out its duties. The Trust Fund shall be funded for fiscal year 1975 and the next following 4 years by congressional appropriations. A high level of funding would not only show immediate results through increased energy production but also demonstrate our commitment to domestic energy production, and as a member of the Appropriations Committee I would hope to further address this matter during the appropriations process.

Section 7. Requires the chairman of the Corporation to keep the Congress fully informed concerning all activities of the Corporation and to submit an annual report. All actions taken by the Corporation and the private sector will be done with the protection of all existing laws relating to every area of its operation including safety and environmental standards.

This bill can be a vital major step in providing in the shortest possible time tangible results by increasing immediately our own supply of energy to fill the vacuum while we wait for research and development programs to produce.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the text of the bill.

By Mr. METCALF (for himself, Mr. MANSFIELD, Mr. HUMPHREY, Mr. MOSS, Mr. MCGOVERN, Mr. ABOUREZK, and Mr. HATHAWAY):

S. 1208. A bill to improve the Nation's energy resources. Referred to the Committee on Commerce.

NATIONAL ELECTRICAL ENERGY CONSERVATION ACT OF 1975

Mr. METCALF. Mr. President, on behalf of the senior Senator from Montana (Mr. MANSFIELD), the junior Senator from Minnesota (Mr. HUMPHREY), the senior Senator from Utah (Mr. MOSS), the senior Senator from South Dakota (Mr. MCGOVERN), the junior Senator from South Dakota (Mr. ABOUREZK), and the junior Senator from Maine (Mr. HATHAWAY), I introduce for appropriate reference the National Electrical Energy Conservation Act of 1975.

Representative RICHARD L. OTTINGER, of New York, is today introducing companion legislation in the House.

I ask unanimous consent to insert at this point in the RECORD Congressman OTTINGER's and my joint statement regarding the legislation at our press conference this afternoon, and a copy of the bill.

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

SENATOR METCALF AND REPRESENTATIVE OTTINGER INTRODUCE THE NATIONAL ELECTRICAL ENERGY CONSERVATION ACT OF 1975

Today we will introduce the National Electrical Energy Conservation Act of 1975.

The Senate bill is co-sponsored by Senator Mansfield, Senator Humphrey, Senator Moss, Senator McGovern, Senator Abourezk, and Senator Hathaway.

Congressman Ottinger is inviting other Members of the House to co-sponsor his bill.

One of the Nation's most urgent problems is energy supply. We need a reliable electric power system. We need to curb the unnecessary use of non-renewable resources and to protect the environment. We need to provide required generating capacity and move the electricity where it is needed. A national power grid would help to accomplish these goals in a way that no other concept can.

The national power grid has been a long time coming. Gifford Pinchot, while Governor

of Pennsylvania decades ago, outlined the concept. More than 20 years ago Commissioner of Reclamation Michael Straus proposed a Western power grid.

In the 1950's, Leland Olds, former Chairman of the Federal Power Commission proposed regional power supply organizations. Eight years ago former Assistant Secretary of the Interior Ken Holum and his associates proposed, in study 190, a grid covering half of the United States. More recently, former Secretary of the Interior Walter Hickel spoke of departmental plans for a national power grid. But no such proposal has been examined by Congress.

So, the power grid proposal is not a new one. But it is an idea whose time has come.

Never before has this Nation been so conscious of its dependence on enormous supplies of energy. Never before has the American citizen been so impressed by his vulnerable position with regard to this dependence.

Due to skyrocketing electric rates, many homeowners have seen their bills double even while significantly reducing their use of electricity. The Administration and utility industry officials are pressing for ever greater utility profits now so that utilities can attract enough capital to meet their projection of seven per cent annual growth in peak demand.

The fact is that peak electric demand only grew one per cent last year because customers cannot afford to use electricity carelessly any longer.

The costs of building additional generating plants have escalated so much that a regionalized approach toward planned capacity is now imperative. With the Nation's existing generating facilities operating at only about sixty two per cent of rated capacity, it is obvious that we could achieve much greater output from the power plants now on line if an efficient high-voltage transmission system were available to move bulk power from one region to another according to their alternating peak demand requirements.

For example the general daily peaking period is between five and seven p.m. A unified power system could arrange to meet that peak in the Nation's four time zones with far less plant capacity than would be necessary to meet each zone's peak independently.

Also, certain areas have their system peak demand in the summer and consequently have excess capacity available in the winter. For winter-peaking areas, the situation is just the opposite. The National Power Grid would coordinate generating capacity with areas experiencing peak demand.

The National Electric Energy Conservation Act will also make available on a broader scale the increased efficiencies and cost savings distribution to the municipal and privately-owned utilities which are now providing that service. The transition to the National Power Grid form the existing situation would involve a net reduction in financing costs for consumers since interest charges on the bonds issued by the Grid to obtain generating facilities would be far less than the charges for the mix of debt and equity capital which are now used to finance such facilities.

The guarantee of access by all utilities to the grid would do away with the problems of excessive capital charges and limited availability of capital which have plagued small utilities. It will also do away with the existing capacity which is presently being wasted because big utilities will not allow smaller ones to make use of their transmission lines.

The vagaries of Wall Street which have perceived undefined risks in a guaranteed cost-plus monopoly industry providing a basic service would be removed from the financing of the National Power Grid. The excess profits sought by utilities to please the financial institutions which are major purchasers of utility preferred and common stocks would no longer be necessary. The chagrin suffered recently by, for example, Virginia ratepayers who were forced to dole out almost $100 million in rate increases so that their utility could raise $50 million by selling common stock, would be avoided.

The bill being introduced today has some meaningful improvements over previous bills.

First, it provides for regional rates to reflect the varying costs of producing power in different areas of the Nation. Secondly, it ensures that directors of a regional corporation will be selected from that region with no more than one director from any single state.

Finally, it provides for public participation in the decision-making process so that customers will not be presented with an unsafe, unreliable, or super-expensive power system over which they had no say in choosing.

The present system permits basic decisions on this vital area of public interest to be made in private corporate boardrooms. Customers do not get to participate until it is time to pay for management decisions through their bills. Monopoly enterprise is basic energy production requires public participation at all levels.

The National Electrical Energy Conservation Act will assure the most efficient utilization of the ample electric generating facilities now on line. It also provides for intelligent and coordinated construction of new facilities. It will reduce the need for new generating facilities by twenty five percent, and that is no small saving when one considers the hundreds of billions of dollars estimated to be spent on electric plant before the end of this century.

There are many proposals for improving the electric system in the United States today through Federal intervention. They come from Congress, the Administration, Federal and state regulators, consumer advocates, and the utility industry itself. Most proposals involve a Federal bailout of problem utilities while allowing the continuation of the organizational structure which brought about the problems in the first place. Federal taxpayers—who are also utility ratepayers, for the most part—are asked to spend vast sums of money without receiving any guarantee of improved service or participation in this area which is so important to their pocketbooks, lifestyle, and health. Further tax breaks, Federal loan guarantees, and proposals for the purchase of special securities by the Federal government all entail vast commitments of money with nothing received in return.

This bill overcomes those deficiencies by guaranteeing that any funds spent will be returned through lower rates, a better environment, and public participation in an area where it is long overdue. This bill eliminates the wasteful aspects of the present system. Quite clearly, that is what consumers are now vociferously demanding.

S. 1208

A bill to improve the Nation's energy resources

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

SECTION 1. SHORT TITLE

This Act may be cited as the "National Electrical Energy Conservation Act of 1975".

TITLE I—NATIONAL POWER GRID AND REGIONAL BULK POWER DISTRIBUTION

Sec. 101. DEFINITIONS.

For purposes of this Act:

(1) The term "National Grid" means the National Power Grid Corporation, established by section 102.

(2) The term "national board" means the board of directors of the National Grid.

(3) The term "regional corporations" means a regional bulk power supply corporation established by the National Grid under section 103.

(4) The term "corporation" means the National Grid or any regional corporation.

(5) The term "regional board" means the board of directors of a regional corporation.

(6) The term "region" means a bulk power supply region established under section 103 (a)(1).

(7) The term "electric utility" means any person or public agency whose functions include the sale of electric power.

SEC. 102. NATIONAL POWER GRID CORPORATION.

(a) There is created a body corporate by the name of the "National Power Grid Corporation" which shall establish and operate a national power grid system. The National Grid shall have a Board of Directors, which shall consist of three members appointed by the President, by and with the advice and consent of the Senate, in accordance with section 202, and which shall direct the exercise of all of the functions of the National Grid.

(b) The National Grid shall establish and operate a national power grid system, consisting of electric power generating facilities, and a system of very high voltage transmission lines which, to the extent practicable shall interconnect such generating facilities and the transmission systems of each regional corporation. Such system may be established by constructing generating facilities and transmission lines, or by acquisition of existing facilities and lines under section 105, or both.

(c)(1) The National Grid shall contract to sell electric power to regional corporations at rates which shall be regional throughout the United States and which shall be set at the lowest possible level consistent with sound business principles and the environmental protection requirements of section 201, taking into account the charges necessary to pay the operating expenses of the National Grid (including depreciation) and to amortize the indebtedness of the National Grid.

(2) The National Grid shall provide base load, peaking, or other power to regional corporations to meet requirements of which the National Grid has at least ten years notice. Any notice of requirements under this paragraph shall be accompanied by an offer to contract for the required power.

(3) The National Grid is authorized to purchase for resale by the National Grid surplus electric power generated by any electric utility on schedules and at rates agreed upon with such electric utility.

SEC. 103. REGIONAL BULK POWER SUPPLY CORPORATIONS.

(a) Subject to section 105(a)(2), the National Grid shall establish by regulation—

(1) a number of bulk power supply regions which in the aggregation shall comprise the entire United States, and

(2) a regional bulk power supply corporation in each such region.

(b) Each regional corporation shall have a Board of Directors which shall be composed of three members from the region but each from a different State appointed by the national board with the approval of the President in accordance with section 202, and which shall direct the exercise of all of the powers of such regional corporation. A member of a regional board may be removed by the national board for cause (including failure to carry out any order of the national board issued under subsection (f)).

(c)(1)(A) A regional corporation shall be the exclusive marketing agency for the National Grid within the region for which such corporation was established. Any electric utility, publicly or privately owned, may enter into a contract for services with a regional

corporation. A regional corporation shall sell electric power to any electric utility the needs of which it has adequate notice except in cases of failure of such utility to meet its financial obligations, on poor of fraudulent application, or because of willful failure of such utility to comply with wheeling orders under subparagraph (B) or other requirements of such regional subparagraph (B) or other requirements of such regional corporation.

(B) A regional corporation may not enter into a contract for services with any electric utility unless such utility agrees to permit (at such times and to such extent as such corporation may order) the use of its excess transmission capacity for the purpose of wheeling power from facilities of such corporation or of the National Grid to load centers of other electric utilities contracting to purchase electric power from such corporation.

(2) Any transmission lines of any agency the facilities of which are transferred to the corporation under section 105(a)(1) may be transferred by the National Grid to the regional corporation for the region in which such lines are located and shall be operated by such corporation. Each regional corporation shall obtain such transmission capacity, in addition to the capacity acquired under the preceding sentence, as may be necessary to sell electric power generated by the National Grid to each electric utility in the region, and to transmit to National Grid transmission lines such electric power as the National Grid may purchase from such utilities. A regional corporation may obtain such additional capacity (A) by lease of or contract for all or part of the capacity of existing transmission lines of electric utilities, (B) by modification of existing facilities of electric utilites, or (C) by constructon of new transmission lines by such regional corporation. Any excess transmission capacity of a regional corporation may be made available to electric utilities on a contract carrier basis.

(d) Electric power marketed for the National Grid by the regional corporation shall be sold at a rate equal to the regional rate established by the National Grid under section 102(c)(1), plus a transmission rate charged by such regional corporation. Such transmission rate shall be set at the lowest possible level consistent with sound business principles and the environmental protection requirements of section 201, taking into account the charges necessary to pay the operating expenses of the regional corporation (including depreciation) and to amortize the indebtedness of the regional corporation.

(e) A regional corporation shall have the authority to issue bonds in accordance with section 206, but such bonds shall not be guaranteed by the United States unless issued with the approval of the national board.

(f) Any person aggrieved or adversely affected by any action of a regional corporation may obtain administrative review of such action by the national board. The national board may, on the basis of such review, order the regional board to take appropriate remedial action. The final decisions of the national board shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5 of the United States Code.

SEC. 104. RESEARCH AND DEVELOPMENT.

(a) The National Grid shall carry out a program of research and development in the area of electric power generation and transmission. In carrying out such program, the National Grid—

(1) may conduct research and development activities directly or through contracts with any person or public agency,

(2) shall coordinate its activities with those of the Energy Research and Development Administration, and to the extent practicable with those of other public and private agencies, and

(3) shall develop priorities for carrying out such program.

In developing priorities under paragraph (3), the National Grid shall give preference to environmental protection and land use research including, but not limited to, underground high voltage transmission technology, sulfur oxide control, and other technology to improve the performance of fossil fuel plants, development and demonstration of utility corridors, development and demonstration of improved methods for disposing of waste heat, and development of alternative methods of electric power generation (including but not limited to solar power, wind power, hydro power, biochemical conversion, thermonuclear fusion, magnetohydrodynamics, and fuel cells).

(b)(1) The National Grid shall expend at least 2 percent of its revenues in each fiscal year to carry out the program under this section.

(2) There are authorized to be appropriated to the National Grid for each fiscal year to carry out the program under this section an amount equal to (A) $250,000,000 less (B) the amount the National Grid is required to expend under paragraph (1) to carry out such program.

SEC. 105. TRANSFER OF CERTAIN EXISTING FEDERAL-OWNED FACILITIES.

(a) Effective 180 days after the date of enactment of this Act:

(1) There are transferred to the National Grid all electric power generating and transmission facilities of the following agencies:

(A) Bureau of Reclamation.

(B) Army Corps of Engineers.

(C) Southwestern Power Administration.

(D) Southeastern Power Administration.

(E) Bonneville Power Administration.

(F) Alaska Power Administration.

(2) After amortization, hydroelectric power projects, together with associated Federal transmission facilities, which are transferred to the National Grid under this subsection shall provide financial assistance to water resource development, the reclamation fund, and the basin accounts, in accordance with the laws and procedures under which they were authorized.

(3) The Tennessee Valley Authority shall be designated as the original corporation for the region consisting of the area in which it operates on the date of such designation.

(b) Title II of this Act shall not apply to the Tennessee Valley Authority * * *

TITLE II—GENERAL PROVISIONS APPLICABLE TO NATIONAL GRID AND TO REGIONAL CORPORATIONS

SEC. 201. ENVIRONMENTAL PROTECTION.

(a) Each corporatioin shall be subject to Federal, State, and local environmental standards. For purposes of this subsection, the term "environmental standard" means a law or regulation prescribing a standard or limitation for the purpose of control or abatement of air or water pollution or for the purpose of some other aspect of environmental protection.

(b)(1) Prior to applying to any public agency for authority to construct any proposed facility, the corporation which proposes to construct such facility shall hold a public hearing, after adequate public notice, and shall allow interested persons to submit comments on such proposal.

(2) Each corporation shall treat all decisions regarding the siting and design of facilities as a significant aspect of land use planning in which all environmental, economic, and technical issues with respect to a facility should be resolved in an integrated fashion. In the resolution of these possibly competing demands such corporation shall give all possible weight to the protection of the environment.

(c) This section shall apply to the Tennessee Valley Authority.

SEC. 202. BOARDS OF DIRECTORS.

(a) Of the members appointed to the board of directors of any corporation, one member shall be representative of the interests of privately owned electric power companies, one member shall be representative of the interests of publicly or cooperatively owned electric utilities, and one member shall be representative of the interests of consumers. Not more than two members of any board may be members of the same political party. Not more than two members of the national board may reside on the same side of the 100th meridian.

(b)(1) Members of the board of directors of each corporation shall be appointed for terms of 6 years, except that the terms of office of the members of any such board first taking office after the date of enactment of this Act, shall expire as designated by the President (or the National Grid in the case of members of a board of a regional corporation) at the time of nomination, one at the end of the second year, one at the end of the fourth year, and one at the end of the sixth year, after such date. A successor to a member of a board shall be appointed in the same manner as the original member and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed. No member may be appointed for all or part of more than two terms.

(2) The members of the national board first appointed shall be deemed the incorporators of the National Grid and the incorporation shall be held to have been effected from the date of the first meeting of the national board.

(c) Any member appointed to fill a vacancy in a board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Vacancies in a board, so long as there shall be two members in office, shall not impair the powers of such board to execute its functions, and two of the members in office shall constitute a quorum for the transaction of the business of such board.

(d) The Chairman of each board shall be elected by the members thereof.

(e) Each of the members of the national board shall receive compensation at the rate provided for level II of the Executive Schedule (5 U.S.C. 5313), to be paid by the National Grid. Eash of the members of a regional corporations board shall receive compensation at the rate provided for level IV of the Executive Schedule (5 U.S.C. 5315), to be paid by such corporation. No member of any such board shall, during his continuance in office, be engaged in any other business.

SEC. 203. OFFICERS AND EMPLOYEES OF CORPORATIONS.

(a) The board of directors of a corporation may without regard to the provisions of title 5, United States Code, governing appointments in the competitive service—

(1) appoint a manager of the corporation who shall be compensated at the provided for level II of the Executive Schedule, and

(2) appoint such other officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation (without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and general schedule pay rates), define their duties, and require bonds of such of them as such board may designate.

Any appointee of a board of directors may be removed in the discretion of such board.

(b)(1) For purposes of the Act of March 3, 1931 (Davis-Bacon Act; 40 U.S.C. 276a), each contract to which the corporation is a party shall be considered a contract to which the United States is a party.

(2) If work, which if let by contract would

be subject to paragraph (1), is done directly by a corporation, the prevailing rate of wages shall be paid in the same manner as though such work had been let by contract.

(c) In the appointment of officials and the selection of employees for a corporation, and in the promotion of any such employees or officials, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any member of a board of directors who is found by the President of the United States to be guilty of a violation of this subsection shall be removed from office by the President of the United States, and any appointee of a board of directors who is found by the board to be guilty of a violation of this subsection shall be removed from office by such board.

SEC. 204. CORPORATE POWERS GENERALLY.

(a) Except as otherwise specifically provided in this Act, a corporation shall have the same powers as a District of Columbia nonprofit corporation has under subsections (a), (b), (c), (d), and (e) of section 5 of the District of Columbia Nonprofit Corporation Act, and in addition—

(1) May make contracts to carry out its functions under this Act.

(2) May adopt, amend, and repeal bylaws.

(3) Shall have power to acquire real property for the construction of generating facilities, transmission lines, and other structures and projects.

(4) Shall have power in the name of the United States of America to exercise the right of eminent domain, in accordance with section 207.

(5) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically conferred in this Act upon such corporation.

(b) In order to enable a corporation to exercise the powers and duties vested in it by this Act—

(1) The exclusive use, possession, and control of all property to be acquired by such corporation in its own name or in the name of the United States of America, are entrusted to such corporation for the purposes of this Act.

(2) The President of the United States is authorized to provide for the transfer to such corporation of the use, possession, and control of such other real or personal property of the United States as he may from time to time deem necessary and proper for the purposes of such corporation as stated in this Act.

(c) Each corporation shall maintain its principal office at a place determined by it.

(d) Section 101 of the Government Corporation Control Act is amended by inserting "any corporation established under the National Power Grid Act;" after "Tennessee Valley Authority;".

(e) A corporation may contract with any person or public agency which it deems qualified, to design, prepare specifications and bidding documents, recommend the award of contracts or supervise the construction and installation of equipment and facilities of any required type anywhere in the United States. A corporation may contract with the Federal Power Commission to participate with the staff of such corporation in system planning and load forecasting.

SEC. 205. ACCOUNTS AND CONTRACTS.

(a) A corporation shall at all times maintain complete and accurate books of accounts. Each corporation shall determine its own system of administrative accounts and the forms and contents of its contracts and other business documents except as otherwise provided by law.

(b) Subject to the other provisions of this Act, a corporation is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the final settlement of all claims and litigation by or against such corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the accountable officer or employee of such corporation, shall not disallow credit for, nor withhold funds because of, any expenditure which the board of directors thereof shall determine to have been necessary to carry out the provisions of this Act.

(c) All purchases and contracts for supplies or services, except for personal services, made by a corporation, shall be made after advertising, in such manner and at such times sufficiently in advance of opening bids, as the board of directors thereof shall determine to be adequate to insure notice and opportunity for competition; except that advertisement shall not be required when, (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $2,500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards a board of directors may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

SEC. 206. BONDS FOR FINANCING POWER PROGRAMS.

(a)(1) Each corporation is authorized to issue and sell bonds, notes, and other evidences of indebtedness (hereinafter collectively referred to as "bonds") to assist in financing its activities and to refund such bonds.

(2) The aggregate outstanding amount of bonds issued by the National Grid and by all regional corporations shall not exceed $30,000,000,000 at any time. This paragraph shall not apply to bonds issued by a regional corporation and not guaranteed by the United States.

(b) Subject to section 103(e), payment of principal and interest on bonds issued by a corporation under this section shall be guaranteed by the United States. Proceeds realized by a corporation from issuance of such bonds and from power operations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665).

(c)(1) Subject to paragraph (2), bonds issued by a corporation under this section shall be negotiable instruments unless otherwise specified therein, shall be in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of such corporation in such manner and at such times and redemption premiums, and shall be subject to such other terms and conditions as such corporation may determine.

(2) At least fifteen days before selling each issue of bonds under this section (exclusive of any commitment shorter than one year) a corporation shall advise the Secretary of the Treasury as to the amount, proposed date of sale, maturities, terms and conditions, and expected rates of interest of the proposed issue in the fullest detail possible and, if the Secretary shall so request, shall consult with him or his designee thereon, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance and the maximum rates of interest to be borne by the bonds. If the Secretary of the Treasury does not approve a proposed issue of bonds hereunder within seven working days following the date on which he is advised of the proposed sale, such corporation may issue to the Secretary interim obligations in the amount of the proposed issue, which the Secretary is directed to purchase. In case such corporation determines that a proposed issue of bonds under this section cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase. Notwithstanding the foregoing provisions of this subsection, obligations issued by a corporation to the Secretary shall not exceed $750,000,000 outstanding at any one time, shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of such corporation. If agreement is not reached within eight months concerning the issuance of any bonds which the Secretary has failed to approve, such corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds. For the purpose of any purchase of a corporation's obligations the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of such corporation's obligations hereunder. A corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with such bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms (which audits and reports shall be in addition to those required by sections 105 and 106 of the Government Corporation Control Act); may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its power program in any securities approved for investment of national bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and may perform such other act not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by a corporation under this section shall contain a recital that they are issued pursuant to this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity.

(d) Bonds issued by a corporation under this section shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or

deposit of which shall be under the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of a corporation acquired by them under this section.

(e) Bonds issued by a corporation under this section shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes. Interest on such bonds shall not be included in gross income for purposes of any tax imposed by subtitle A of the Internal Revenue Code of 1954.

(f) This section shall apply to bonds of the Tennessee Valley Authority, only if such bonds are guaranteed by the United States, in accordance with section 103(e).

SEC. 207. CONDEMNATION PROCEEDINGS.

A corporation may cause proceedings to be instituted for the acquisition by condemnation of any lands, easements, or rights-of-way, or of any transmission capacity or existing facilities referred to in section 103 (C)(2) (A) or (B), which, in the opinion of such corporation, are necessary to carry out the provisions of this Act. The proceedings shall be instituted in the United States district court for the district in which the land, easement, right-of-way, or other interest, or any part thereof, is located, and such court shall have full jurisdiction to divest the complete title to the property sought to be acquired out of all persons or claimants and vest the same in the United States in fee simple, and to enter a decree quieting the title thereto in the United States of America. In any such eminent domain proceeding (including a proceeding in the District of Columbia) a corporation may file with the complaint or at any time before judgment a declaration of taking in the manner and with the consequences provided by the first section and sections 2 and 4 of the Act entitled "An Act to expedite the construction of public buildings and works outside the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for the acquisition thereof under the power of eminent domain", approved February 26, 1931 (46 Stat. 1421).

SEC. 208. REPORTS.

(a) Each corporation shall report to the President annually, and the President shall transmit the report to the Congress with such comment and recommendations as he deems appropriate.

(b) Each corporation shall file with the President and with the Congress, in December of each year, a financial statement and a complete report as to the business of such corporation covering the preceding fiscal year.

(c) Reports provided for in subsections (a) and (b) shall also be noticed in the Federal Register.

SEC. 209. ADVISORY COMMITTEES.

(a) Whenever any corporation shall establish or utilize any board, task force, commission, committee, or similar group, not composed entirely of members of the board and officers or full-time employees of the corporation, for the purpose of advising the corporation as to its policies and procedures, the corporation shall insure that each such group is fairly balanced in terms of the points of view represented by its members.

(b) Each meeting of such board, task force, commission, committee, or similar group, shall be open to the public, and interested persons shall be permitted to attend, appear before, and file statements with, such group.

(c) All records, reports, transcripts, memoranda, and other documents which were prepared for or by such group, shall be available for public inspection and copying at a single location in the offices of the corporation.

(d) Advisory committees established or utilized pursuant to this Act shall be governed in full by the provisions of the Federal Advisory Committee Act (Public Law 92-463, 86 Stat. 770), except as inconsistent with this section.

(e) This section shall apply to the Tennessee Valley Authority.

By Mr. CURTIS:

S. 1209. A bill to provide for a 10-percent reduction in congressional salaries whenever the budget is not balanced. Referred to the Committee on Post Office and Civil Service.

Mr. CURTIS. Mr. President, today I am introducing a bill designed to show the American public that we in Congress are taking an active role in combatting inflation.

My bill would call for a 10-percent reduction in congressional salaries in any fiscal year where there is a deficit in the Federal budget.

The purpose, obviously, is to provide a disincentive for the Congress to tolerate an unbalanced budget. And, unfortunately, I believe we do require such a disincentive.

Local comedian Mark Russell says he cannot criticize President Ford—"after all, he hasn't done anything. But I won't criticize Congress either," says Russell. "They've done even less."

He is right about Congress. So far we have failed to take any positive action to turn this economy around, and there is no end in sight to the continuing inflation that is ravaging our economy.

This year we are facing a Federal deficit in excess of $51 billion. We also are facing the very real possibility that this spending Congress will raise that deficit even higher.

This trend simply cannot continue.

Mounting Federal deficits and a burgeoning Federal debt threaten the economic life of this Nation. Such deficits portend economic instability of a dimension we have never known. They make continuing inflation an economic fact of life.

And because such deficits assure that we will not be able to curb inflation, they establish as Government policy a permanent, cruel, hidden, and inequitable tax that strikes hardest at those who can least afford it.

Mr. President, last week I introduced a constitutional amendment that would compel the Federal Government to operate on a pay-as-you-go basis. It would encourage a balanced budget, or incur the need for higher taxes.

I hope we will seriously consider that measure in the days ahead. If approved, it would require ratification by three-fourths of the State legislatures. So it would be some time before it could become law.

In the meantime, let us take some kind of action to indicate our serious intent to come to grips with inflation headon. At a time when public confidence in Government is at an unprecedented low, we in Congress have a chance to prove we deserve some confidence.

We can do so by volunteering to take a 10-percent pay cut if we fail to balance the budget. I think that will be effective toward reducing the Federal deficit and restoring public confidence in elected officials.

There is no time to waste. Inflation is taking a higher toll daily in terms of unemployment, hunger, and bankruptcy. The problems can be stated in economic terms. But the costs are in human terms.

I agree fully with the late President Calvin Coolidge, who said:

> I favor economy in government, not because I wish to save money, but because I wish to save lives.

Let us show the American public we mean business. Let us make Mark Russell find someone else to kick around.

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

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

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That beginning with fiscal year 1975, if the outlays of the United States Government (excluding outlays of trust funds) for a fiscal year exceed receipts (excluding receipts of trust funds) of the Government for that fiscal year, then during the immediately succeeding fiscal year the rate of compensation that each Senator, Representative, Delegate, and the Resident Commissioner from Puerto Rico would have been paid but for the enactment of this Act shall be reduced by 10 per centum.

By Mr. KENNEDY:

S. 1210. A bill to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, to secure to employees of the Government the right to disclose information which is required by law to be disclosed by agencies. Referred to the Committee on the Judiciary.

FEDERAL EMPLOYEES DISCLOSURE ACT OF 1975

Mr. KENNEDY. Mr. President, when Congress enacted the Freedom of Information Act in 1966, it affirmed the principle of public access to governmental information so that the American people could know how their Government is being run. Recent amendments to the act have strengthened that affirmation.

The key to promoting freedom of information, in the broadest sense, remains in the hands of the Government employee. In a government that has become as large and complex as ours, it is both inadequate and unrealistic to rely solely on public requests for information to keep our citizens well-informed. I believe that the logical next step beyond the Freedom of Information Act is to recognize and protect the right of Government employees—on their own initiative—to make public information available to the public.

The case histories of those few Government employees who have made disclosures demonstrate the pitfalls that presently await Federal employees who on their own release information to the American people. The harassment and retaliation which these employees have suffered at the hands of their agencies for their acts of disclosure have discouraged all but the most courageous

from disclosing information. This not only inhibits open government, but it further impairs the public's capacity to hold public officials accountable for their actions.

Little statutory protection is presently available to provide these employees with adequate protection from agency harassment. The only existing redress available to a Federal employee is to pursue an appeal before the Civil Service Commission. Yet only certain, very specific, retaliatory actions give rise to a right of appeal, and agencies have learned to circumvent civil service proceedings by taking more subtle retaliatory actions.

Even where an employee can appeal, the delay, expense, and emotional strain which that avenue entails is hardly comforting to those deciding to disclose information not for the benefit of themselves, but of the public. Moreover, remedies available to an employee in such proceedings are limited to an order to the agency to rescind its action against the employee and an award of back pay where applicable. Thus, because no damages can be obtained, these limited remedies do nothing effectively to deter agencies from retaliating against their employees.

The law must give statutory recognition to the Federal employee's right to disclose, to any person, information which is obtainable under the Freedom of Information Act. And it also must recognize the right of Government employees to disclose other information to Congress when such disclosure is made pursuant to a legitimate request for such information.

The law must also provide Federal employees with the opportunity to obtain redress in our courts for acts of intimidation and retaliation taken against them by their agencies when those employees exercise their right to disclose public information.

I am therefore introducing a bill to amend the Freedom of Information Act which I believe would accomplish these purposes. The amendment recognizes the right of Federal employees to disclose, to any person, information which is required to be disclosed under the Freedom of Information Act. It also recognizes the right of employees to make disclosures of other information to Congress if such disclosures are made pursuant to a written request for such information made by Congress.

The bill affords employees the right to bring a civil action in Federal district court to obtain redress for any agency actions taken against them in retaliation for the exercise of their right to disclose information. The court is given jurisdiction in such cases to provide complete relief. This could include restraining orders and interlocutory injunctions to prevent the threatened violation, and reinstatement and damages against the consequences of the violation. Damages are to be assessed against the United States.

To avoid any conflicts between court and administrative decisions, in judgments, an employee who brings an action under this provision is deemed to have waived any right to review before the Civil Service Commission.

To insure that the protections provided by this bill are viable for the average Government employee, provision is made for reasonable attorney fees and litigation costs to be paid by the United States if the complainant prevails.

Lastly, the bill provides that in all cases that arise under it, the taking of a personnel action against any employee within 1 year after he discloses information covered by this amendment shall create a rebuttable presumption that the action taken was because of the disclosure of information. This is intended to alleviate the problems of proof which an employee might encounter in attempting to show that the agency action was taken in retaliation against him for his disclosures. An employee who has been discharged from his job faces tremendous problems in meeting his burden of proof because the necessary information for that proof is ordinarily in the agency's hands. The presumption would in no way protect the employee from personnel actions taken for good cause. It would merely place the burden clearly on the party most able to bear it.

If we have learned any lesson from the tragic events of the last few years, it is that the line between a secret government and a corrupt government is dangerously thin. Time and time again only the selfless acts of disclosure by courageous Government employees have enabled the public to maintain vigilance over their Government. Yet, in return, we have done little to provide these employees with protection against the enormous personal risks they incur when they make these disclosures.

I believe that enactment of the amendment I am introducing today will encourage employees to make disclosures of public information, thereby promoting public confidence in Government by increasing the public's capacity to check the abuses of Government officials, to participate in Government proceedings, and to monitor the activities of their Government.

Mr. President, I ask unanimous consent that the text of the bill 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. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 552 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) An indiviudal in the competitive or excepted service (except an individual in the excepted services serving in a position that is of a confidential or policy-determining character or whose position is listed in subchapter II of chapter 53 of this title), as those terms are defined in and pursuant to chapter 21 of this title, who—

"(A) discloses any information to any person which an agency is required to make available to the public under subsection (a) of this section; or

"(B) discloses, pursuant to a lawfully authorized written request made by a Member of Congress, to that Member any information not subject to the requirement of subsection (a) of this section

may not be subject on account of such disclosure to discipline through dismissal, demotion, transfer, suspension, reprimand, admonishment, reduction-in-force or other adverse personnel action or the threat thereof.

"(2) Whenever an officer or employee of an agency violates any provision of paragraph (1) of this subsection, an individual aggrieved by the violation may bring a civil action against the agency and the officer or employee in accordance with the provisions of this subsection.

"(3)(A) The district courts of the United States have jurisdiction to hear and determine an action under this subsection without regard to the amount in controversy and without regard to the right of the individual to a prior review of his claim by the Civil Service Commission. Any individual who brings an action under this subsection waives any right to a review of his claim by the Civil Service Commission.

"(B) A civil action under this subsection may be brought in the district in which the event complained of occurred, the district in which the offending officer or employee is found, or in the United States District Court for the District of Columbia. The court may assess against the United States general damages and such other relief, including injunctive relief, as may be appropriate. The court shall award to a successful plaintiff in an action under this subsection reasonable attorneys' fees and other litigation costs reasonably incurred. Any such award shall be assessed against the defendant agency.

"(4) The taking of an adverse personnel action against any individual who discloses information under paragraph (1) of this subsection, if brought within one year after such disclosure, shall establish a presumption that such action was brought against such employee on account of such disclosure. The burden is on the agency to rebut the presumption arising under this paragraph.".

SEC. 2. Appropriations to agencies shall be available to pay any judgment or other cost incurred as the result of any judgment obtained pursuant to the provisions of this Act.

By Mr. BROCK:

S. 1211. A bill to provide for studies of malpractice insurance problems among physicians and hospitals. Referred to the Committee on Labor and Public Welfare.

Mr. BROCK. Mr. President, the 94th Congress is looking at the health care system to see how it should be strengthened and improved in order to provide better health care for our citizens. One part of the health care problem is reaching crisis proportions—the lack of medical malpractice insurance. Many insurance companies are presently discontinuing malpractice coverage, thus leaving both hospitals and practitioners without insurance. This means that there could be many States with even less health services than they already have. Rural areas will be hit particularly hard, since it is difficult to recruit medical professionals under normal conditions.

This alarming situation has arisen for several reasons. The number of malpractice suits being filed is increasing, as is the amount of settlements brought. Therefore, insurance companies find that it is not profitable to carry malpractice insurance. Since the statute of limitations begins upon discovery of malpractice—which may be 5 or 10 years after hospitalization, it is difficult to predict the cost of premiums. This necessitates an increase in the price of insurance premiums. I know of one medical group whose malpractice insurance premium went from $5,000 in 1 year to $107,000 the next year. As any businessman will

recognize, this presents a massive financial crisis.

In Tennessee, there are 41 hospitals which will be left without insurance beginning in less than 60 days. Unless there is some alternative arrangement made in the meantime, these hospitals cannot operate. Doctors who might go to rural areas—those just beginning practice, or those beginning to prepare for retirement—either cannot obtain or afford insurance. It seems to me to be a contradiction in efforts to attempt to improve the health care system and at the same time watch the providers of health care be driven from practice. We need to insure that our health care system is allowed to operate uninterrupted.

I, therefore, am proposing S. 1211. My bill calls for a 90-day study to develop an immediate solution to this problem, and a 10-month study to research a long-term plan of action, so that this situation will not arise again. The study will be under the auspices of the Office of Technology Assessment, who will request the National Academy of Sciences to conduct these studies. The result of these studies should be that we eliminate the immediate problem and at the same time develop an adequate insurance system that will provide uninterrupted health care for our citizens. A similar measure has been introduced in the House of Representatives. I hope that this will insure speedy action and facilitate passage of this measure.

I ask unanimous consent that the bill be printed in the RECORD at this point, as follows:

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

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Office of Technology Assessment shall arrange for the conduct of studies concerning solutions to the growing problems of malpractice insurance among the Nation's physicians and hospitals, as provided in this section. The Office shall request the National Academy of Sciences to conduct such studies under an agreement, to be entered into between the Office and the Academy in conducting such studies will be paid by the Office.

(b)(1) The studies referred to in subsection (a) shall consist of—

(A) a study to be completed within 90 days following the date on which the arrangement referred to in such subsection is entered into, and

(B) a study to be completed within 10 months of such date.

(2) The study referred to in paragraph (1)(A) shall consider interim arrangements for the solution of the problems involved in the malpractice insurance coverage of physicians and hospitals in the United States and shall be related to provisions of title XVIII of the Social Security Act; and the study referred to in paragraph (1)(B) shall be a longer range study designed to explore the field more thoroughly and to provide a basis for long-range recommendations for the permanent solution of such problems.

(3)(A) Recommendations based on the study referred to in paragraph (1)(A) shall be submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives by the National Academy of Sciences no later than July 1, 1975, and shall include one or more alternative recommendations for achieving an interim solution to such problems.

(B) Recommendations based on the study referred to in paragraph (1)(B) shall be submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives by the National Academy of Sciences no later than May 1, 1976, and shall include proposals for long-range solutions to the problems of malpractice insurance coverage for the Nation's physicians and hospitals.

(4) In formulating the recommendations called for under paragraph (3), the Academy should give particular attention to provisions which would assure the highest possible rate of assignment of claims under section 1842 (b) of the Social Security Act.

(5) There are authorized to be appropriated to the Office of Technology Assessment such sums as may be necessary to carry out the provisions of this section.

By Mr. CRANSTON (for himself, Mr. TAFT, Mr. BROOKE, Mr. PROXMIRE and Mr. WILLIAMS):

S. 1212. A bill to extend and amend section 312 of the Housing Act of 1964. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. CRANSTON. Mr. President, the Housing Act of 1964, section 312, authorizes the Secretary of Housing and Urban Development to make 3-percent, low-interest rate loans to property owners to rehabilitate their property if it is in an urban renewal area or in an area where a program of concentrated code enforcement is being carried out. It is the only housing program directed specifically at rehabilitating inner city neighborhoods.

Last year, during the consideration of the Community Development Act of 1974, the administration proposed that the 312 program be terminated. They proposed that cities with areas needing rehabilitation use their block grant community development funds instead. Senator TAFT and I opposed the administration on this issue and were successful in getting the 3-percent rehabilitation loan program extended to August 22, 1975. We felt the program should be extended for several reasons:

First. The block grant program terminates the following programs under HUD: Open space, urban beautification, historic preservation grants, public facility loans, water and sewer grants, neighborhood facilities, urban renewal, neighborhood development grants, and model cities supplemental grants.

Block grant funds were made available, beginning January 1, 1975, for other similar activities. But it was obvious that the many competitive demands on community development block grant funds would limit the amount available for housing rehabilitation.

Second. Section 312 is basically a housing program and other housing programs were not collapsed into community development.

Third. Section 312 is the only specific vehicle for assisting the rehabilitation of single-family housing and preserving existing neighborhoods. The 312 code enforcement loan program has been extremely successful in the San Francisco area, where there has been only a 2-percent default during its 10-year existence. By comparison, the nationwide default rate has been around 5 percent.

Fourth. Many States have constitutional restrictions which may bar lending community development funds to an individual for housing rehabilitation.

This bill makes the following changes in the 312 program:

First. It extends authority through September 30, 1978.

Second. It allows HUD to exceed the 3-percent loan interest rate up to an interest rate up to a government interest rate which covers the cost of borrowing plus losses and administration cost on a sliding scale when the borrower's income exceeds the median income for a family of four persons. This would answer the criticism often raised by OMB that section 312 allows rich people to receive 3-percent loans.

Third. It gives priority consideration to cities that provide rehabilitation funds from other sources and to cities that are unable to provide rehabilitation funds to individuals because of State legal restrictions.

Fourth. Section 312 is presently funded by a permanent authorization of $150 million per fiscal year. Its annual appropriation has never exceeded $90 million. That is enough to support 15,000 housing units, compared to the national housing goal of 200,000 rehabilitation subsidized units per year.

Under present law, only appropriated funds can be used for this program, despite the fact that section 315 contains a revolving loan fund and most of the loans are paid back. As a result, the administration has never been favorable to funding for this program.

As a possible remedy, our bill switches the funding for 312 from the appropriations process to Treasury borrowing process. It specifically declares that the outlay be financed outside of the budget. Appropriations would only be needed to make up the difference between the interest rate on the loans and the Treasury borrowing rate, plus a loss reserve and administrative cost. This is similar to the way other housing loan funds are administered.

Mr. President, this amendment would, for the first time, effectively make available under the program $150 million for low-interest loans to rehabilitate an estimated 25,000 old housing units a year.

This would constitute a 67 percent increase in the present program—and it would be brought about at less actual cost to the taxpayer.

Moreover, the budgetary impact of this program would be more accurately reflected. We estimate the program would need an annual appropriation of $7.5 million, instead of the present $90 million.

Mr. President, I ask unanimous consent that the text of the bill be printed following Senator TAFT's statement.

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

STATEMENT BY SENATOR TAFT

I am pleased to be a coauthor of this legislation to extend and amend the Sec. 312 housing rehabilitation loan program. I am convinced that the enactment of this legislation would be a modest but important step toward achievement of the improved housing conditions we all seek.

Since coming to the Senate, I have argued extensively that our Federal housing strategy devotes insufficient attention to the preservation and rehabilitation of our 70 million-unit existing housing stock. As I have stated many times, it is unwise for the government to rely almost exclusively on new housing to meet the housing needs of those with modest incomes. The cost of building new housing units has become so high that well over half of all Americans, regardless of income, reportedly cannot afford to buy a new home. Thus, subsidy programs involving newly constructed housing inevitably will be very expensive and will tend to provide better housing for low-income beneficiaries than many of those Americans in middle income ranges can afford. Furthermore, environmental problems, urban land scarcity, and frequent community opposition, all tend to hold down the number of subsidized units which are likely to be constructed.

There is also a basic economic soundness to neighborhood preservation programs which is particularly relevant to the Sec. 312 case. Simply put, a limited expenditure of Federal housing rehabilitation funds at an early stage of neighborhood decline can stave off the need for massive public investment in a much more comprehensive urban renewal-type program at a later date.

On a more emotional level, I am convinced that many of our citizens want to stay in the older urban areas where they have lived for years, rather than move to a subsidized new unit in unfamiliar surroundings (even if one were available). This is particularly true for our elderly citizens, who want to stay around the friends they have had and the neighborhoods they know. Many of these citizens are homeowners with low incomes who would repair their homes were it not for the unmanageable financial burden.

Also on an emotional note, while some of our existing housing stock is certainly ugly or even in squalor, other units are of an architectural interest which adds needed charm and diversity to our urban areas. The Old West-End area of Toledo, which was a user of Sec. 312 loans and which I toured as a member of the Housing and Urban Affairs Subcommittee, is a good example of an area with many such housing units. The loss of one of these units of the housing stock could could never be replaced fully by a Federally subsidized new unit.

Despite these compelling reasons for a major housing preservation and rehabilitation effort, our record in this area has been dismal. In particular, the Federally assisted housing rehabilitation programs have always yielded far less units than expected. At least until the housing subsidy moratorium in 1973, by far the largest discrepancy between the number of annual subsidized housing units estimated necessary to achieve our 10-year national housing goals and the number of subsidized units actually produced was in the housing rehabilitation area.

This low level of success was certainly caused in large part by the technical difficulties involved in housing rehabilitation, which involves repair operations in risky neighborhoods and a different job with different problems to fit the needs of each individual existing housing structure. However, particularly in the case of the Sec. 312 program as I will discuss further, the blame also rests on insufficient Federal attention to and funding for housing and neighborhood preservation and rehabilitation activities.

As a minor step toward correcting this problem, Senator Cranston and I introduced the Urban Rehabilitation Act of 1972. Although that legislation died with the 1972 omnibus housing bill, in the last Congress we were more successful. The Administration announced its support for more extensive attention to and use of existing housing, but unfortunately it refused to support housing programs designed specifically for rehabilitation and used the occasion to take the crushing negative step of obliterating the subsidized new construction programs. More positively, several of our housing and neighborhood preservation amendments were accepted by Congress as part of the Housing and Community Development Act of 1974. One of these provisions amended the law proclaiming the goal of "a decent home and a suitable environment for every American family," a part of my father's work about which he felt most strongly. The provision reads:

"(b) The Congress further finds that policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods, that deterioration and abandonment of housing for the Nation's lower income families has accelerated over the last decade, and that this acceleration has contributed to neighborhood disintegration and has partially negated the progress toward achieving the national housing goal which has been made primarily through new housing construction.

"(c) The Congress declares that if the national housing goal is to be achieved, a greater effort must be made to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation, moderate rehabilitation, and improvements in housing management and maintenance, in conjunction with the provision of adequate municipal services. Such an effort should concentrate, to a greater extent than it has in the past, on housing and neighborhoods where deterioration is evident but has not yet become acute.";

Since the passage of that Act, the reasons for supporting strong programs to preserve older housing and neighborhoods have become even more compelling. Both the labor-intensive nature of these programs and their likely locations in or near neighborhoods with grave unemployment problems have taken on a new importance and desirability. The same can be said for the energy conservation aspect of housing rehabilitation, which often involves improvements such as the installation or development of more efficient heating and electrical systems.

Unfortunately, however, our actions since the passage of the Housing and Community Development Act of 1974 have not followed our rhetoric. The Sec. 312 program is operating at its lowest level in several years and other subsidized housing programs which encouraged some rehabilitation are not operating. The new federal housing subsidy program designed to take up the slack remains largely a promise and a question mark, and does not encompass homeownership situations.

It would be untenable to maintain that the Sec. 312 program, which has never resulted in the rehabilitation of more than about 12,250 housing units in a year, is or could be the total answer to this problem. In any event, to a large extent the existing housing-needs of the very poor must be fulfilled by rental units, which are not often rehabilitated with Sec. 312 money. Furthermore, the success of neighborhood preservation programs depends crucially not just on housing rehabilitation, but also on the provision of adequate municipal services and improvements.

Nevertheless, Sec. 312 has a unique place in a comprehensive national housing strategy. It is the only working national program which provides assistance so that modest-income homeowners can keep their homes in good repair. Because of the stability which homeowners can bring to the neighborhoods they inhabit, this type of assistance is necessarily a crucial aspect of any strategy to arrest and reverse neighborhood decline.

During the debate on the community development bill, the Administration argued that Sec. 312 could be abolished because this need would be met through cities' use of community development funds. I believe that this approach would not afford the rehabilitation of single-family housing the importance as a housing program that Congress intended, as reflected in the language of the 1974 Act. It was felt that the other housing programs, such as the Section 8 leased housing program, were important enough priorities to remain separate Federal programs. They purposely were not placed in a pot with all the other competing community development activities to compete for possible program funds, or in a position of complete reliance on the administrative abilities of each local government. I believe that the Sec. 312 program also belongs in that category. The clear intent of the 1974 Act was that it would promote housing and neighborhood preservation, not downgrade preservation by abolishing the national program most specifically suited for this purpose.

Another problem with the proposal to substitute the discretionary use of community development funds for the Sec. 312 program is the constitutional restrictions in many States which may limit or prevent the use of local funds for direct rehabilitation loans to citizens. I am well aware of this problem because Ohio is one of the States which may be affected adversely.

The other alternative to Federal direct loans for housing rehabilitation would be a program which relies, at least to a great extent, on the use of private financing. Advocates of housing rehabilitation would like to find a sensible Federal approach of this type. Such an approach would almost certainly be funded at a more realistic level than the present Sec. 312 program because its budget impact per housing unit would be much smaller.

However, that approach would be inhibited by lenders' outright unwillingness to lend, or willingness to lend only at very high interest rates, in the types of neighborhoods the program would have to operate. The interest rate on home improvement loans is now 12%, even for loans which are 90% federally insured for housing in extremely stable areas. While the sheer size of the preservation job to be done across the country demands that we develop ways of using private capital more intensively to stave off neighborhood decline, that is obviously a vastly more expensive approach than Federal direct lending or conducting a subsidized housing rehabilitation program.

Another dimension of the Sec. 312 program in support of its retention is its high degree of success. The latest figures I have seen show the program's loan delinquency rate to be about 5%. Virtually all the comments I have heard about the operation of the program have been favorable, and even the Administration has never based its opposition on the way the program operates.

The legislation we are introducing today extends the Sec. 312 program until September 30, 1978. I am convinced that the three-year time period is necessary to eliminate uncertainty about the program's future, which certainly has hampered its use in the last several years.

The legislation also would amend Sec. 312 to allow 9% higher interest rate than the present 3% to be charged to borrowers whose incomes are higher than those already established for priority by the statute. However, the interest rate could not be set higher than the rate needed to let the program "break even", or cover the Treasury borrowing costs, administrative costs and anticipated losses.

In practice, this amendment would give HUD the discretion to charge an interest rate up to about 8% at the present time, or to adopt an interest rate which "slides upward" or a variation of that approach, to borrowers whose income exceeds a level which is about the average income in most communities. This provision will be a good answer to the criticism that because Sec. 312 has been a neighborhood-based rather than an income-based program, people with fairly high incomes have been able to receive 3% loans even though they could afford to pay more.

On the other hand, it recognizes the importance to the comprehensive neighborhood preservation concept of allowing those with higher incomes to receive government loans, because private lenders either may not be willing to lend in the area in question or may charge an interest rate so high that it discourages rehabilitation. Furthermore, the provision of a federal loan at 8% would be a powerful incentive for such homeowners to participate in a neighborhood preservation program.

The new legislation also directs HUD to administer the program (i.e., allocate funds) in a manner which would encourage communities to stimulate housing preservation with public and private capital not made available under Section 312, encourage communities to address the housing preservation needs of owner occupants whose incomes are too low to afford even Section 312 loans, and accommodate the needs of communities which have no other feasible source of loan funds for rehabilitation. The first phase recognizes that the dimensions of the housing preservation effort demand an infusion of much more money than the Section 312 program is likely to provide, and thus communities' responsibility to use community developed funds in this manner if possible and to stimulate the use of private capital for this purpose. The second phrase recognizes that with the replacement of the urban renewal statute by community development, there is no longer a Federal rehabilitation grant program of up to $3,500 for owner-occupants who need housing rehabilitation (Section 115 of urban renewal law). If this need is to be met at all, it must be met with community development funds. Since the Section 115 program was administered in conjunction with Section 312 in the past to the extent that about one-fourth the grants were combined with Section 312 loans and over one-third of the Sec. 312 loans were combined with grants, it is appropriate that Section 312 be administered in a way which encourages the fulfillment of this need. A great number of the beneficiaries of this type of local action will be low-income urban elderly homeowners now on fixed incomes. The third phrase, in effect, simply directs HUD to recognize a State constitutional problem where it exists.

Finally, the budget treatment of Section 312 program must be addressed. At present the program is funded by the authorizations and appropriations process. I believe that this funding method is misleading because all of the money for loan outlays must be appropriated, despite the fact that most of this money will be paid back and thus is not a loss to the government in the conventional sense of a permanent financial loss. Largely as a result of this misleading budget treatment, in my judgment, Section 312 has been treated harshly in the appropriations process. Although a $150 million dollar annual authorization level has been in the law since 1968, the annual appropriation has never exceeded $90 million dollars. That is enough funding to support the rehabilitation of only about 15,000 housing units, which is a small fraction of the number of subsidized rehabilitated housing units per year estimated necessary to keep us on track toward meeting the Congressionally-determined national housing goal. The funding for the present fiscal year is only about half that level.

I believe it would be much less misleading to explicitly fund the Section 312 program from Treasury borrowing, and to require an appropriation of the program's true cost to the government rather than the entire outlay amount. Thus, annual appropriations under our bill would be necessary for the difference between Section 312 interest rates and Treasury borrowing rates, plus an amount to cover expected and otherwise uncovered losses. Congress would also establish annual lending ceilings, to provide an additional element of control over program size.

Senator Cranston and I fought very hard to extend the Section 312 program in the Housing and Community Development Act of 1974, only to see it funded for fiscal 1975 at an extremely low level. It makes no sense to extend the law further if appropriations will continue to be meager; in fact, this might be detrimental by raising falsely localities' and neighborhoods' hopes for assistance. I am hopeful that the correction of the past misleading budget treatment we are proposing and even just focusing on the issue will lead to more rational Congressional consideration of that issue in the future.

The Section 312 program is scheduled to expire on August 22d and since we are likely only to have an "emergency" housing bill prior to that time, I am convinced that this legislation should have an emergency status. I urge the Banking, Housing and Urban Affairs Committee and the Congress to act on it promptly.

S. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 312 (c) (3) of the Housing Act of 1964 is amended by inserting "(A)" after "not to exceed", and by inserting after "at any time" a comma and the following: "or (B) such greater rate as the Secretary may establish for loans with respect to residential property which primarily will benefit persons whose annual incomes exceed the limitations established for priority by subsection (a), but in no case shall such rate exceed a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and possible losses under the program".

SEC. 2. Section 312(d) of the Housing Act of 1964 is amended—

(1) by inserting "(1)" after "(d)";

(2) by inserting "ending on or before June 30, 1975" after "for each fiscal year";

(3) by inserting after the end of the first sentence: "The revolving fund (hereinafter in this subsection referred to as the "fund") shall consist of (A) amounts repaid by borrowers as principal and interest on loans from the fund, (B) proceeds credited to the fund under paragraph (2), (C) appropriations to the fund under this paragraph or paragraph (3), and (D) receipts from any other source.";

(4) by striking out "such revolving fund" and inserting in lieu thereof "the fund";

(5) by inserting "(A)" after "shall be available for";

(6) by striking the period at the end thereof and inserting in lieu thereof the following: ", (B) for the purpose of making loans under this section, and (C) for paying interest on obligations issued under paragraph (2). The aggregate loans made under this section in any fiscal year shall not exceed the limits on such lending authority established for such year in appropriation Acts."; and

(7) by adding at the end thereof the following new paragraphs:

"(2) To carry out the purposes of this subsection, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $150,000,000 in any fiscal year, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(3) There is authorized to be appropriated to the fund in each fiscal year an amount equal to the difference between the amount of interest paid on obligations issued under paragraph (2) and the amount of interest received on loans made from the fund, plus any additional amount deemed necessary to carry out this section, but not to exceed $7,500,000 in any fiscal year. Except in the case of sums appropriated under this subsection, the receipts and disbursements of State governments shall be exempt from any limitation on annual expenditures or net lending."

SEC. 3. Section 312(g) of the Housing Act of 1964 is amended by adding at the end thereof the following new sentence: "The Secretary shall administer the provisions of this section in a manner designed to (A) encourage communities to undertake programs which facilitate public or private financing of rehabilitation with funds not made available under this section or any other Federal housing program, (B) encourage communities to address the rehabilitation needs of owner-occupants living in areas participating in rehabilitation programs whose incomes are too low to afford loans provided pursuant to this section, and (C) accommodate the needs of communities which have no other feasible source of loan funds for rehabilitation."

SEC. 4. Section 312(h) of the Housing Act of 1964 is amended by striking out "after the close of the one-year period beginning on the date of the enactment of the Housing and Community Development Act of 1974" and inserting in lieu thereof "after September 30, 1978", and by striking out "the close of that period" and inserting in lieu thereof "that date".

By Mr. BENTSEN (for himself, Mr. HATHAWAY, and Mr. CRANSTON):

S. 1213. A bill to provide, through tax incentives in the Internal Revenue Code of 1954, that all future employment-based group health insurance plans extend coverage to workers who become unemployed and receive unemployment compensation benefits, with a temporary program financed through a trust fund and a temporary assessment on group health insurance arrangements to cover workers who are currently unemployed and receiving unemployment compensa-

tion—or who become unemployed before the applicable health insurance plans are modified to cover them, and for other purposes. Referred to the Committee on Finance.

EMERGENCY HEALTH INSURANCE EXTENSION ACT OF 1975

Mr. BENTSEN. Mr. President, last week I announced that I would soon be introducing a new measure to provide health insurance coverage to unemployed workers whose previous coverage had terminated. I am today introducing that legislation, and it is being simultaneously introduced in the House by Congressman ROSTENKOWSKI of Illinois, chairman of the Health Subcommittee on the Ways and Means Committee.

Congressman ROSTENKOWSKI has taken the lead in developing this legislation, and I believe he has addressed himself properly to the objections raised by various witnesses to all of the previous legislation introduced on this subject.

The legislation that we introduce today is subject to further review by both committees, but I feel it offers us a broad structure within which to come up with a final bill.

According to the most recent estimates by the Library of Congress, some 2.5 million workers lost their hospitalization coverage by the end of February 1975. Some 2.2 million lost their regular medical coverage as well. These figures, of course, do not include dependent spouses and children who were also uncovered as a result of the termination of family coverage when the family head becomes unemployed.

We can appreciate the dimensions of the problem when we recognize that hospital costs have more than tripled since 1960 and that physician's fees have risen substantially more than the increase in the cost of living.

For the unemployed, with average unemployment checks averaging around $68 nationwide, the specter of major illness confronts them with a considerable dilemma. Many do not qualify for medicaid, because they are not poor enough. If they do qualify, they find that medicaid coverage fluctuates widely from State to State, with some States only offering minimal coverage. If they choose to pay their own premiums, they may be paying on the average of $50 a month for family policies, a considerable slice of their unemployment compensation.

I do not believe we can walk away from this issue which has now reached serious proportions. We must act and act rapidly. It is not realistic to expect the private sector to pick up the burden. In fact, the American Hospital Association told the Finance Committee a short time ago that hospitals during the past several years have experienced a decreased operating margin of revenue over expenses of from 2.2 percent in 1971 to 0.8 percent in 1973. Sixty-three percent of community hospitals are operating at a loss. Nor are the State financially equipped to handle a sudden influx of medical claims for the unemployed. The solution—a temporary, stopgap solution—must be a Federal one.

On January 30, I introduced S. 496, which would have qualified unemployed workers for coverage under medicare part A. Although I remain convinced that this is a sound approach, testimony revealed that administrative difficulties could have delayed the effective implementation of the program.

The measure that Congressman ROSTENKOWSKI and I are introducing today minimizes the administrative burden and offers us a program that requires no new bureaucracy and no use of general revenue funds. In several significant ways, it is an improvement on earlier proposals.

The measure consists of two parts. Part 1 would require, through tax incentives, that future group health insurance contracts build in protection against the loss of health insurance during periods when the workers of an employer are receiving unemployment benefits. This requirement would apply to all health insurance and contract renewals entered into after 30 days after enactment of the bill. In addition, all policies would have to contain such a provision within 14 months after enactment.

Part 2 would be directed to the presently unemployed and would reinstate health coverage for them upon their application to their former employers. This part would be financed by a 1-percent tax on health insurance premiums under group contracts, which would be placed in a special trust fund. Since the fund would not contain enough at first to pay the premiums of the currently unemployed, there is a provision for the fund to borrow against the Treasury to the extent necessary. Estimates are that the fund could go out of existence in less than 5 years, after paying out all claims against it.

Under both part 1 and part 2, employers and carriers are induced to participate by, in the case of an employer, disallowing his business deduction of one-half the amount he spends for his employees' health insurance coverage or, in the case of carriers, disallowing the deduction of all their premium taxes paid to the States, if they choose not to join the program.

The approach developed under the leadership of Congressman ROSTENKOWSKI has several important advantages: First, it is easy to administer. No new agency would have to be set up to administer it; second, it can be put in place immediately; third, it does not require the expenditure of general revenue funds, since the employers would pay the bulk of the premium tax and could treat it as a business expense.

It does not avoid all the inequities of former proposals, but it does minimize them. We would not be using general revenue funds to continue very liberal insurance policies for some individuals and spare policies for others. The burden is spread among those now having health insurance, and those with better coverage will be paying higher taxes.

It does not vitiate the need for national health insurance. As I have repeatedly said, this is an emergency program to meet an urgent need. We still have national health insurance at the top of our domestic agenda, and I intend to continue pressing for a comprehensive bill.

We offer this as a new proposal for the consideration of the two committees. We will be asking our colleagues for constructive suggestions, but I believe the basic structure of this measure improves on earlier measures on this same subject.

Let me again commend Congressman ROSTENKOWSKI for his creative leadership on this matter, and I am hopeful that we can now work together to assure the swift passage of a fair and rational program to protect the unemployed from the high costs of health care.

I ask unanimous consent that the text of the measure be printed in the RECORD, and let me indicate that I am also introducing it as an amendment to the pending tax bill, H.R. 2166, to be taken up tomorrow.

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

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Health Insurance Extension Act of 1975".

TITLE I—CONTINUATION OF EMPLOYMENT-BASED HEALTH INSURANCE COVERAGE FOR THE UNEMPLOYED

ENTITLEMENT OF UNEMPLOYED INDIVIDUALS TO CONTINUED COVERAGE

SEC. 101. Any individual who—

(1) is entitled to receive compensation for any week under a State or Federal unemployment compensation law, and

(2) would be covered (or could have become covered) under an employment-based health insurance plan in such week through his most recent previous employment if such employment had not been terminated or discontinued,

shall be entitled as a former employee to continued coverage under such plan without additional cost for the month or months during which such week or any part thereof falls, as required by section 102 and more particularly described in section 103.

REQUIREMENTS APPLICABLE TO EMPLOYERS ANI CARRIERS

SEC. 102. (a) Each employer whose employees are covered under an employment-based health insurance plan shall be required to include in such plan provisions assuring coverage for former employees in accordance with sections 101 and 103, as a condition of—

(1) the full deductibility (for Federal income tax purposes) of any payments or contributions made by such employer under or on account of such plan in any taxable year during any part of which such plan is in effect, and

(2) any treatment as a nonprofit organization (for such purposes) to which such employer may otherwise be entitled for any such taxable year.

(b) Each health insurance carrier offering one or more employment-based health insurance plans shall be required to include in each such plan provisions assuring coverage for former employees of the employer or employers involved in accordance with sections 101 and 103, as a condition of—

(1) the deductibility (for Federal income tax purposes) of any premium taxes paid by such carrier to the States or their political subdivisions with respect to premiums or other periodic payments received by the carrier under any of such plans in any taxable year during any part of which that particular plan is in effect, and

(2) any treatment as a nonprofit organization (for such purposes) to which such carrier may otherwise be entitled for any such taxable year.

(c)(1) Each health insurance carrier offering one or more employment-based health

insurance plans shall also be required, as a condition of the deductibility and tax treatment specified in paragraph (1) and (2) of subsection (b), to participate, with all other carriers of the same type offering plans which satisfy subsection (b), in an organization or arrangement under which the total amount of the claims paid by any such carrier under the plan or plans involved during any period, with respect to individuals who have been entitled to continued coverage under section 101 for more than three months after the month in which their most recent previous employment was terminated or discontinued (and with respect to expenses incurred by such individuals after the expiration of such three months), will be periodically adjusted (by the transfer of funds to or from that carrier) so that the net amount which that carrier is actually required to pay with respect to those claims will be the amount determined under paragraph (2).

(2) The net amount which any particular carrier is required to pay with respect to claims described in paragraph (1) during any period, after the adjustment referred to in such paragraph, shall be an amount which bears the same ratio to the total amount paid during such period with respect to all claims so described by all participating carriers of the same type as (A) the amount paid by that particular carrier under the plan or plans involved during such period with respect to all claims other than than those so described bears to (B) the total amount paid by all carriers of the same type under such plans during such period with respect to all claims other than those so described.

(3) For purposes of this subsection—

(A) all carriers offering service benefit plans (of the kind described in section 8903 (1) of title 5, United States Code) shall be considered to be of one type, and all other carriers shall be considered to be of another; and

(B) in the case of a carrier which is an organization described in the second sentence of section 401(4), the amount of the claims (of any kind) paid during any period, as referred to in paragraph (1) or (2) of this subsection, shall be referred to be equivalent to 90 per centum of the product of the applicable per-capita or per-family amount (referred to in such second sentence) multiplied by the number of individuals or families who are entitled to have payment made under the plan or plans involved on those claims.

NATURE AND EXTENT OF COVERAGE

SEC. 103. (a) The manner in which an individual entitled to continued health insurance coverage under section 101 may obtain such coverage and verify his entitlement thereto shall be specified in the provisions which are required by section 102 (a) and (b) to be included in the health insurance plan involved.

(b) The type and scope of the coverage to which any such individual is entitled under section 101 shall be the same as the type and scope of the coverage (individual or family) which would have been available to him had he continued in such employment.

(c) Each health insurance plan to which the requirements of section 102 relate shall include provisions effectively assuring to an employer's former employees who are entitled to continued coverage under section 101 that such coverage will be available to them (as long as they are so entitled) even if the employer ceases to do business or goes out of existence.

EFFECTIVE DATE

SEC. 104. Sections 101, 102, and 103 shall be effective with respect to all employment-based health insurance plans from and after the first day of the fourth calendar month which begins after the date of the enactment of this Act; except that with respect to any such plan which has been established through collective bargaining between the employer and representatives of his employees and the first termination (or renewal) date of which after the date of the enactment of this Act does not fall in either the second or third calendar month beginning after such date of enactment, such sections shall be effective on the first termination (or renewal) date of such plan occurring after such third calendar month but in no case later than the first day of the fourteenth calendar month after the month in which this Act is enacted.

TITLE II—TEMPORARY HEALTH INSURANCE PROTECTION FOR THE CURRENTLY UNEMPLOYED

ENTITLEMENT TO CONTINUATION OR RESTORATION OF COVERAGE

SEC. 201. Any individual who during the emergency period (as defined in section 206 (a))—

(1) is entitled to receive compensation for any week under a State or Federal unemployment compensation law, and

(2) would be covered under an employment-based health insurance plan in such week through his most recent previous employment if such employment had not been terminated or discontinued,

shall be entitled as a former employee to have his coverage under such plan (or coverage of the same type and scope) continued or restored without additional cost for the month or months during which such week or any part thereof falls, as required by section 202 and more particularly described in section 203.

REQUIREMENTS APPLICABLE TO EMPLOYEES AND CARRIERS

SEC. 202. (a) Each employer whose employees are covered under an employment-based health insurance plan shall be required, upon application or request made as described in section 203(a) by an individual entitled to have his coverage continued or restored during the emergency period as provided in section 201, to take such action as may be necessary to continue or restore such coverage in accordance with sections 201 and 203, as a condition of—

(1) the full deductibility (for Federal income tax purposes) of any payments or contributions made by such employer under or on account of such plan during the taxable year (or years) in which such period or any part thereof falls, and

(2) any treatment as a nonprofit organization (for such purposes) to which such employer may otherwise be entitled for any such taxable year.

(b) Each health insurance carrier offering one or more employment-based insurance plans shall be required to take such action as may be necessary to provide coverage with respect to each such plan for former employees of the employer or employers involved during the emergency period, without additional cost, in accordance with sections 201 and 203, as a condition of—

(1) the deductibility (for Federal income tax purposes) of any premium taxes paid by such carrier to the States or their political subdivisions with respect to premiums or other periodic payments received by the carrier under any of such plans during the taxable year (or years) in which such period or any part thereof falls, and

(2) any treatment as a nonprofit organization (for such purposes) to which such carrier may otherwise be entitled for such taxable year (or years).

PROCEDURE FOR OBTAINING CONTINUATION OR RESTORATION OF COVERAGE: NATURE AND EXTENT OF COVERAGE

SEC. 203. (a)(1) Any individual who is entitled to do so under section 201 may have his coverage continued or restored as provided in such section by submitting to the employer involved or his designated agent an application or request for such continuation or restoration together with such proof of his entitlement as may be necessary. If on the basis of such proof and the available records or after reasonable investigation the employer determines in good faith that the individual is in fact so entitled, the employer shall promptly make such arrangements with (and provide such information to) the carrier offering such plan as may be necessary or appropriate to assure such continuation or restoration. Any such determination of an individual's entitlement shall be conclusive for purposes of this title; but any willfully false statement or representation of such entitlement, made to the employer or made by the employer to the carrier under the preceding sentence, shall be subject to sections 1001 and 1002 of title 18, United States Code.

(2) An application or request may be made by an individual under this subsection at any time prior to the expiration of six months after the last day of his entitlement under section 201.

(b) The type and scope of the coverage which any individual is entitled to have continued or restored under section 201 shall be the same as the type and scope of the coverage (individual or family) which he had under the health insurance plan involved immediately prior to the termination or discontinuance of his employment; but no continuation or restoration of coverage under section 201 shall be effective with respect to any individual for any period beginning on or after the first day of the first month for which such individual is entitled, or would upon filing the appropriate application be entitled, to hospital insurance benefits under part A of title XVII of the Social Security Act.

(c)(1) Payments to the carrier for items and services furnished or paid for under or in connection with an employment-based health insurance plan, in the case of individuals who are entitled to have such payments made solely by reason of the continuation or restoration of their coverage during the emergency period pursuant to this title, and payments to the carrier for administrative costs incurred in performing its functions under this title (at a rate no higher than that of the administrative costs incurred with respect to employed individuals covered by the plan), shall be made quarterly, in advance (on the basis of estimates) or by way of reimbursement, from the Federal Emergency Health Insurance Trust Fund as provided in section 204(d) in accordance with bills submitted to the Managing Trustee of such fund (or his delegate) by the carrier.

(2) In the case of a carrier which is an organization described in the second sentence of section 401(4), the payments made under paragraph (1) of this subsection shall be equivalent to the product of the applicable per-capita or per-family amount (referred to in such second sentence) multiplied by the number of the individuals or families who are entitled to have such payments made.

(d) In any case where an individual is entitled to have his coverage continued or restored under section 201 but his most recent previous employer has ceased to do business or has gone out of existence, the application or request described in the first sentence of subsection (a) shall be made directly to the carrier offering the plan to which such application or request relates and the coverage involved shall be provided by such carrier as though appropriate arrangements therefor had been made by the employer under the second sentence of such subsection.

FEDERAL EMERGENCY HEALTH INSURANCE TRUST FUND

SEC. 204. (a)(1) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Fed-

eral Emergency Health Insurance Trust Fund (hereinafter in this section referred to as the "Trust Fund"). The Trust Fund shall consist of such amounts as may be appropriated to or deposited in such fund as hereinafter provided.

(2) There are authorized to be appropriated to the Trust Fund from time to time, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of the taxes imposed by section 4981 of the Internal Revenue Code of 1954 (relating to tax on health insurance premiums). The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such sentence.

(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the "Board of Trustees") composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the "Managing Trustee"). The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

(1) hold the Trust Fund;

(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and thereafter; and

(3) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and thereafter, a statement of the actuarial status of the Trust Fund, a statement of the extent to which any obligations issued under subsection (c) have been retired, and an estimate of the time at which the Trust Fund will cease to exist in accordance with subsection (e). Such report shall be printed as a House document of the session of the Congress to which the report is made.

(c)(1) In order to provide the Trust Fund with initial capital and to supplement amounts appropriated to it under subsection (a), the Trust Fund may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Trust Fund to carry out its functions under subsection (d). Each such obligation shall mature at such time and be redeemable at the option of the Managing Trustee in such manner as may be determined by the Managing Trustee, taking into account the provisions of subsection (e), and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligation. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Trust Fund issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchase of the Trust Fund's obligations hereunder. The proceeds of any obligations issued under this subsection shall be deposited in the Trust Fund.

(2) In order to assure that the basic financing of the Trust Fund is at all times accomplished through appropriations equivalent to taxes as described in subsection (a)(2), and to facilitate the termination of the Trust Fund as provided in subsection (e), all obligations issued under paragraph (1) of this subsection shall be retired at the earliest possible time.

(d) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as are necessary to make the payments provided for by section 203(c) of this Act and to pay the costs of the administration of such section, reduced or increased as required to take account of any amounts by which previous payments under this subsection are larger or smaller than they should have been.

(e) As soon as the Board of Trustees determines that all of the obligations issued by the Trust Fund under subsection (c) have been retired, and that there are no further claims against the Trust Fund for payments under subsection (d), the Managing Trustee shall immediately notify the Congress thereof and the Trust Fund shall thereupon cease to exist; and any amounts remaining in the Trust Fund at that time shall be returned to the Treasury as miscellaneous receipts.

TEMPORARY EXCISE TAX ON GROUP HEALTH INSURANCE PREMIUMS

SEC. 205. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 44—TEMPORARY TAX ON GROUP HEALTH INSURANCE PREMIUMS

"SEC. 4981. IMPOSITION OF TAX

"(a) IN GENERAL.—There is hereby imposed, with respect to each employment-based health insurance plan offered by a health insurance carrier, a tax equal to 1 cent on each dollar (or fractional part thereof) of the total amount of the premiums charged under such plan. The tax imposed by this subsection shall be paid by the carrier.

"(b) DEFINITIONS.—For purposes of this section—

"(1) PREMIUM.—The term 'premium' (with respect to an employment-based health insurance plan during any period) means any periodic payment which entitles the individual or family by whom (or on whose behalf) the payment is made, to the extent otherwise qualified, to the benefits provided under the plan, or, in the case of a plan sponsored or underwritten by an employer described in clause (B) of section 401(4) of the Emergency Health Insurance Extension Act of 1975, the cost (during such period) of paying claims under such plan plus the related cost of its administration.

"(2) OTHER TERMS.—Other terms have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975.

"(c) ADMINISTRATIVE PROVISIONS.—Under and to the extent provided by regulations of the Secretary or his delegate—

"(1) the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section; and

"(2) the tax imposed by subsection (a) of this section may be paid by deducting the amount thereof from any claims made by the carrier against the Federal Emergency Health Insurance Trust Fund under section 203(c) of the Emergency Health Insurance Extension Act of 1975.".

(b) The table of chapters for subtitle D of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"CHAPTER 44. Temporary Tax on Group Health Insurance Premiums."

EMERGENCY PERIOD; EFFECTIVE DATES

SEC. 206. (a) As used in this title, the term "emergency period", with respect to the employees and former employees of any employer, means the period—

(1) beginning with the first day of the month in which this Act is enacted, and

(2) ending with the day preceding the first day on which title I is effective with respect to the former employees of that employer;

except that if any such former employee is entitled to coverage under section 201 on the day specified in paragraph (2), the emergency period shall continue with respect to him (and section 101 shall not apply) until such entitlement terminates.

(b)(1) Except as provided in paragraph (2), the provisions of this title shall be effective as of the first day of the month in which this Act is enacted.

(2) The amendments made by section 205 shall apply with respect to premiums which are charged or payable on or after January 1, 1976, and prior to the last day of the month in or with the close of which section 204 ceases (as specified in subsection (e) thereof) to be effective.

TITLE III—TAX PROVISIONS APPLICABLE IN CASE OF NONPARTICIPATION BY EMPLOYERS OR CARRIERS

LIMITATION OR DENIAL OF DEDUCTION FOR CERTAIN PAYMENTS

SEC. 301. (a)(1) Section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses) is amended by redesignating subsection (h) as subsection (i), and by inserting immediately after subsection (g) the following new subsection:

"(h) LIMITATION OR DENIAL OF DEDUCTION FOR CERTAIN PAYMENTS IN CONNECTION WITH EMPLOYMENT-BASED HEALTH INSURANCE PLANS.—

"(1) EMPLOYERS.—Any deduction otherwise allowable under subsection (a) for payments or contributions made by an employer under or on account of an employment-based health insurance plan during any taxable year shall be reduced by an amount equal to one-half of the total of such payments or contributions if—

"(A) title I of the Emergency Health Insurance Extension Act of 1975 is effective with respect to such plan during any part of such year and such plan does not include provisions assuring coverage for former employees as required by section 102(a) of such Act: or

"(B) title II of such Act is effective with respect to former employees of such employer during any part of such year and such employer does not take the action required (with respect to such former employees) by section 202(a) of such Act.

"(2) HEALTH INSURANCE CARRIERS.—No deduction shall be allowed under subsection (a) or under any other provision of this chapter for any premium tax paid by a health insurance carrier to a State or political subdivision thereof with respect to premiums paid during any period on any employment-based health insurance plan offered by such carrier unless—

"(A) all employment-based health insur-

ance plans offered by such carrier during such period include provisions assuring coverage without additional cost for former employees of the employer or employers involved as required by section 102(b) of the Emergency Health Insurance Extension Act of 1975; and

"(B) such carrier participates (throughout such period) in an organization or arrangement as required by section 102(c) of such Act.

For purposes of subparagraph (A), a health insurance plan shall be considered as including the provisions required by such subparagraph, during any period in which title II but not title I of such Act is effective with respect to such plan, if the carrier has taken the action required by section 202(b) of such Act with respect to all of the former employees of the employer involved.

"(3) MEANING OF TERMS.—Terms used in this subsection shall have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975.".

(2) Section 164(g) of such Code (cross references relating to deduction for taxes) is amended by adding at the end thereof the following new paragraph:

"(3) For provisions disallowing any deduction for certain premium taxes paid by health insurance carriers, see section 162(h)(2).".

DENIAL OF EXEMPT STATUS FOR CERTAIN EMPLOYERS AND CARRIERS

SEC. 302. (a) Part I of subchapter F of chapter 1 of the Internal Revenue Code of 1954 (relating to exempt organizations) is amended by adding at the end thereof the following new section:

"SEC. 504. CERTAIN EMPLOYERS AND HEALTH INSURANCE CARRIERS.

"No organization which is an employer or a health insurance carrier shall be exempt from taxation under section 501, or be considered an exempt organization for purposes of any other provision of this subtitle, with respect to any taxable year, if during any part of such year—

"(1) in the case of an employer, its employees are covered by any employment-based health insurance plan which does not include provisions assuring coverage without additional cost for former employees as required by section 102(a) of the Emergency Health Insurance Extension Act of 1975; or

"(2) in the case of a carrier (A) it offers and has in effect any employment-based health insurance plan which does not include such provisions as required by section 102(b) of such Act of (B) it is not participating in an organization or arrangement as required by section 102(c) of such Act.

For purposes of paragraphs (1) and (2)(A), a health insurance plan shall be considered as including the provisions required by either such paragraph, during any period in which title II but not title I of such Act is effective with respect to such plan, if the employer or carrier has taken the action required of it by section 202 of such Act with respect to all former employees of the employer involved. Terms used in this section shall have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975".

(b) The table of sections for such part I is amended by adding at the end thereof the following new item:

"Sec. 504. Certain employers and health insurance carriers.".

EFFECTIVE DATES

SEC. 303. The amendments made by sections 301 and 302 shall apply in the case of any employer or carrier only with respect to periods, in taxable years ending after the date of the enactment of this Act, during which title I or title II of the Emergency Health Insurance Extension Act of 1975 is effective with respect to such employer or carrier.

TITLE IV—MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 401. For the purposes of this Act—

(1) an individual who for any particular week is not entitled to receive compensation under a State or Federal unemployment compensation law, but who was entitled to receive such compensation for one or more previous weeks in the same continuous period of unemployment and would be so entitled for that particular week except for illness or injury, shall be deemed to be entitled to receive such compensation for that particular week;

(2) the term "employment-based health insurance plan" means a health insurance plan which (A) is sponsored by an employer or a labor organization, or both (including, where appropriate, a health and welfare fund), (B) covers some or all of the employees of such employer, and (C) the premiums for which are paid or collected wholly or in part by or through such employer;

(3) the term "health insurance plan" means an insurance policy, contract, or other arrangement under which a carrier undertakes in consideration of premiums (as defined in section 4981(b)(1) of the Internal Revenue Code of 1954) to provide, pay for, or reimburse the costs of health services received by individuals covered by the plan; and

(4) the terms "carrier" and "health insurance carrier" mean (A) a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums (as defined in section 4981(d)(1) of the Internal Revenue Code of 1954), including a health benefits plan duly sponsored or underwritten by an employee organization, and (B) an employer (except a governmental entity) who is a self-insurer with respect to providing, paying for, or reimbursing the cost of health services for his employees. Such terms also include an organization which provides, either directly or through arrangements with others, health services to individuals enrolled with such organization on the basis of a predetermined per-capita or per-family amount without regard to the frequency or extent of the services furnished to any particular enrollee.

By Mr. McCLURE (for himself and Mr. CHURCH):

S. 1214. A bill to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. McCLURE. Mr. President, today I cosponsor a bill to provide for the establishment of the City of Rocks National Monument in the State of Idaho. The City of Rocks is an area in southern Idaho which combines outstanding geological formations and historical values against a background of exceptional scenic grandeur.

The Albion Mountain range runs down through this area, and it has a geologic history that goes back more than 2½ billion years. The basic crystalline complex of the range was buried by tons of newer rocks which resulted in high temperatures and extreme pressures at great depths below the Earth's surface. As time passed, this overburden of new rocks was uplifted and finally after 10 miles of vertical uplift, the ancient rocks which formed the base of the mountain range were exposed by erosion. Some geologists claim that some of the ancient rocks originated far to the west and were moved to this area on thrust faults. And so, the area is one where great and interesting scientific debate abounds.

As a result of the erosion process, the unique monoliths of eroded granite were exposed, and it is this area that we know as the City of Rocks. Aside from the outstanding geologic history that the City of Rocks tells us, the area is also important for its mantled gneiss domes. As its name implies, this is a structural uplift, or dome, generally covered by the foliated metamorphic rock called gneiss. Throughout the world, gneiss domes usually form the exposed cores of any great mountain chain's hinterlands. Although many gneiss domes do exist, few are so easily seen and interpreted as those in the City of Rocks area.

And the City of Rocks also has historical values. Ancient people found there among these strange rock formations, some protection from a hostile environment. Archeologists believe that prehistoric people lived in the area of the City of Rocks, and there is one known ancient campsite to back that up. It is known that there were at least two large historic Shoshoni Indian winter villages and that as recently as the 1900's, Indians camped in the area.

But the most important historical value of the City of Rocks is the role it played in the great westward migration during the 1800's. The movement of thousands of emigrants across plains and mountains to the Far West was a dramatic event unduplicated in our history. The tenacity, bravery, and energy of those pioneers is legendary in the annals of American achievement. During the 19th century, the picturesque City of Rocks was the junction of a number of transportation routes where thousands of these emigrating Americans paused while pursuing their hopes and expectations for a new life in the West. The westward migration and each ensuing frontier settlement born out of this far-flung frontier movement have provided this Nation with a unique heritage of dynamic struggle in colonizing a continent—and the City of Rocks was instrumental in that movement.

The overland migrations were composed of three significant population movements: The optimistic pioneer farmers moving into the fertile valleys of California and Oregon; the persevering Mormons, searching for an area where they might live in peace; and the hordes of Forty-Niners heading west with visions of quick and easy wealth. Thus, the westward migration of Americans resulted from a combination of circumstances and motives. But beneath it all was a desire to improve their prospects for the good life whether expressed in terms of land or gold or simply the freedom to pursue happiness.

The longest, most significant and most heavily traveled route of overland mi-

gration during the 19th century was that known as the "Oregon Trail." It was the sole artery of overland travel to Oregon and later became the most important access route to the California Gold Rush of 1849. And the early pioneers were constantly searching for new travel routes in order to avoid such menacing barriers as the Salt Desert and the Great Salt Lake. The City of Rocks, sometimes called the "Silent City of Rocks," owes much of its prominence to the proximity of these ever-changing historic routes. The first practicable route to California, going north of the Great Salt Lake, passed directly through the City of Rocks area.

During the earlier years, this route was spoken of as the "California Trail." But after 1846, it was sometimes referred to as the "Applegate Trail" due to its use by Oregon-bound emigrants who wished to enter the Willamette Valley from the south. In this instance, it served as an alternate route to the Oregon Trail.

In 1848, a new connection to the California Trail was established from the Mormon settlement at Salt Lake to a junction with the original California Trail. This new connection went just south of the Twin Sisters in Emigrant Canyon in the City of Ricks. This route later became the main emigrant thoroughfare and was known as the Salt Lake Cutoff.

The City of Rocks area provided emigrants with a passage around the hazardous marshes of the upper Raft River, good campsites, plenty of water and pasturage for their animals. Their arrival at City of Rocks was usually an occasion for a rest and an interesting respite from the arduous journey. As they climbed over the unusual rock formations of eroded granite, many of these rocks became covered with the names of those who passed by on the trail. I can well imagine that the members of the wagon trains not only added their names to the roster, but searched the rocks for the name of relatives and friends who had preceeded them westward.

To the emigrant, the City of Rocks was the portal to a new and unpleasant adventure, a change from the comparatively easy pull through the Platte and Snake River basins to the arid, danger-ridden Great Basin. City of Rocks, with its rugged skyline, portended rough passage through Granite Pass ahead and a descent to hardship in the bleak Humbolt Valley beyond. Here at City of Rocks, amidst the apprehensive view, was a chance for forage, rest, and merriment before embarking on a new regime of travel. City of Rocks, too, was a relief from past boredom of travel, a place for wonderment among the granite pinnacles, such a contrast from the easterly plains.

It is not difficult to imagine the emigrants' hardships as they crossed southern Idaho en route to Oregon and California some 120 years ago. Mute evidence of their crossing still remains—worn rock ledges and old junipers that bear scars of the ropes and handmade chains used to help loaded wagons down steep grades, the ruts of the wagon wheels, handmade oxshoes, horseshoes, and lengths of chain and various pieces of metal rusting in dry washes and on sagebrush flats.

And so we have an area which is nothing less than an epilog of people, land, and events. The beautiful and unusual geological formations as well as the historical values of City of Rocks are superlative. In addition, there is an abundance of interesting plants and animals in the area. The delicately balanced blending that characterizes this area's collective resources—natural, historical, cultural, and scientific—ascribe a special significance and appeal to the area. And I think that these resources must be preserved in some manner.

The City of Rocks was designated a national historic landmark in 1963 and a national natural landmark in 1974. The national park system contains no other phenomena of eroded granite and gneiss domes similar to those displayed in the City of Rocks area and nowhere in the entire system is there emphasis on the California Trail and the people who used it. It is for these reasons as well as the desire to preserve the area that I cosponsor this bill today.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 3

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. ABOUREZK), the Senator from New Jersey (Mr. CASE), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Florida (Mr. STONE), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 3, the Health Security Act.

S. 421

At the request of Mr. CANNON, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 421, a bill to regulate commerce and assure the availability of air transportation at the lowest reasonable cost to consumers.

S. 858

At the request of Mr. HANSEN, the Senator from Michigan (Mr. GRIFFIN) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 858, a bill to authorize a program of assistance to States for the establishment, expansion, improvement and maintenance of cemeteries for veterans.

S. 935

At the request of Mr. KENNEDY, the Senator from Iowa (Mr. CULVER), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Missouri (Mr. SYMINGTON) were added as cosponsors of S. 935, a bill to terminate embargo against trade between the United States and Cuba.

S. 962

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. ABOUREZK), the Senator from North Dakota (Mr. BURDICK), the Senator from Oregon (Mr. HATFIELD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from California (Mr. TUNNEY), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 962, the Older Americans Community Service Employment Amendments of 1975.

S. 976

At the request of Mr. MCCLURE, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of the bill (S. 976) to exempt range sheep industry mobile housing from regulations affecting permanent housing for agricultural workers.

S. 984

Mr. JACKSON. Mr. President, I ask unanimous consent that at the next printing of the bill S. 984, Land Resource Planning Assistance Act, the name of the Senator from Colorado (Mr. GARY W. HART) be added as a cosponsor.

This is to correct a printing error. The Senator from Colorado (Mr. GARY W. HART) had made a timely request to be an original sponsor of this measure. In fact the CONGRESSIONAL RECORD included his name in the introductory statement of the bill on March 6, 1975. Although that statement shows him to be an original sponsor, his name was inadvertently left off the printed bill.

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

S. 1120

At the request of Mr. CASE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1120, the auto fuel efficiency bill.

S. 1151

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1151, a bill to amend the Federal Water Pollution Control Act in order to increase the authorization for the Alaska village demonstration projects.

S. 1172

At the request of Mr. ROBERT C. BYRD, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 1172, to amend title VI of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a 10-year term for the appointment of the Director of the Federal Bureal of Investigation.

S.J. RES. 57

At the request of Mr. CURTIS, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Joint Resolution 57, a joint resolution to authorize and request the President to proclaim the month of May 1975 as "National Car Care Month."

S. RES. 67

At his own request, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of Senate Resolution 67, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

S. RES. 99

At the request of Mr. TUNNEY, the Senator from Utah (Mr. MOSS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Hawaii (Mr. INOUYE), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of Senate Resolution 99, to protect tuna and other species in the Eastern Tropical Pacific.

S. RES. 100

At the request of Mr. SCHWEIKER, the Senator from Rhode Island (Mr. PELL) and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of Senate Resolution 100, expressing the sense of the Senate with respect to discrimination in international commerce on religious, racial, or ethnic grounds.

S. CON. RES. 18

At the request of Mr. PROXMIRE, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of the concurrent resolution (S. Con. Res. 18) to direct the Federal Reserve to follow certain money supply guidelines in conducting monetary policy and providing for semiannual hearings on monetary policy targets.

AMENDMENTS SUBMITTED FOR PRINTING

REORGANIZATION OF THE FIFTH AND NINTH JUDICIAL CIRCUITS—S. 729

AMENDMENT NO. 132

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

Mr. TUNNEY. Mr. President, on behalf of Senator CRANSTON and myself, I introduce amendments to S. 729, "A bill to improve the judicial machinery by reorganizing the fifth and ninth judicial circuits, by creating additional judgeships in those circuits, and for other purposes."

S. 729, introduced by Senator BURDICK on February 18, is designed to reorganize the fifth and ninth judicial circuits, a proposal originally suggested by the Commission on Revision of the Federal Court Appellate System. The original recommendation of the Commission was to divide the ninth circuit into two new circuits of nearly equal population and caseload. In doing so it would cut the State of California into halves, placing the northern half of the State in one new circuit and the southern half in another new circuit.

Early last session several bills were introduced to carry out this plan. Hearings were held on S. 2988 and S. 2990 by Senator BURDICK's Subcommittee on Improvements in Judicial Machinery. In testimony received at these hearings the State Bar Association of California as well as many local bar associations in California and the Attorney General of California made known their vehement opposition to any realignment of the ninth circuit which would divide California into two appellate jurisdictions for purposes of Federal intermediate appellate court review.

S. 729 retains the recommendation of the Commission for splitting California but attempts to establish new judicial machinery on top of the existing appellate review system for resolving conflicts in circuit cases affecting our States.

After studying S. 729, the State Bar of California and the California attorney general concluded that the proposed solution to the problems of the ninth circuit was unworkable and undesirable. The State bar suggested an alternative of simplifying Senator BURDICK's proposal for a nine-judge in banc panel to provide that the panel act as the in banc panel for the entire circuit, not merely as a third level appellate court for resolving disputes between the northern and southern in banc panels of the bifurcated ninth circuit.

Senator CRANSTON and I concur with our constituents—to restructure the appellate system of the ninth circuit in such a fashion would be detrimental to all aspects of government and the conduct of ordinary affairs by the people of California. To alter the system so radically would ignore the necessity of preserving unity of judicial decision and judicial precedent within the State.

The amendments we introduce today embody the recommendations of the California bar. The only significant difference between the functions of the joint in banc panel in S. 729 and those of the in banc panel in our amendment would be it would have jurisdiction over all the cases, instead of only those which arise in California.

The amendment contains certain additional technical provisions, including conforming amendments to the Federal Rules of Appellate Procedure on procedural matters relating to the ninth circuit in banc procedure which properly belong in those rules rather than in a statute. It also modifies the language of S. 729 relating to uniformity of local practice and procedure. We have attempted to draft all changes so they affect only the ninth circuit, and leave completely unaffected those parts and applications of S. 729 concerning the fifth circuit.

Let me stress those features of our amendments which I believe are most important. First and foremost, they keep California intact. Second, they provide for a streamlined in banc procedure. Third, they propose that the in banc be chosen by seniority or by some other method agreed upon by the judicial council. I do believe that alternatives to straight seniority—such as staggered seniority or an election process—should be considered.

Senator CRANSTON and I are aware of sentiment on the part of some California lawyers that the ninth circuit should be realined although California should be left intact. As we understand it, these lawyers do not favor the Burdick bill, S. 729, but would favor an alternative of keeping California in one piece while separating it—perhaps with a few other States—into a division of the ninth circuit. While this plan does not pose conceptual problems, it does pose political problems. Other ninth circuit States have strong views about which States they would like to be grouped with; and the caseload in California alone is greater than half the load of the ninth circuit. If a consensus develops for an alternative that would keep California intact, we would be happy to support it. Meanwhile, the amendments we offer are the best solution yet developed.

Essentially, S. 729 would divide the ninth circuit and the State of California into a "northern division" and a "southern division." It redefines the word "circuit" in other statutes and provisions of law so that each such "division" is actually a judicial circuit giving each "division" the power to sit en banc, the same as any other court of appeals en banc. The bill increases the total number of judges in the ninth circuit to 20, giving the new northern division 9 judges and giving the new southern division 11 judges. Then, to meet the needs of California, the bill would superimpose upon the two divisions a third entity, a special tribunal known as the "joint en banc panel." This joint en banc panel would be composed of the nine most senior judges, drawn five from one division and four from the other. The joint en banc panel would have jurisdiction over the two divisions in cases arising in California and requiring resolution of a conflict of law applied in the Federal courts in California. The joint en banc panel would probably have a substantial work load inasmuch as California comprises about 70 percent of the population of the ninth circuit as well as 70 percent of the caseload of the ninth circuit. The jurisdiction of the joint en banc panel, of course, is not and could not be limited to constitutional issues, but must include the resolution of all conflicts of laws arising in Federal court litigation in California in order to meet the need for which it is intended.

By dividing the ninth circuit and the State of California into two divsions California becomes subject to two possibly diverging bodies of jurisprudence: The law of the southern division and the law of the northern division. And with the addition of the joint en banc panel, there will be not only two but three separate jurisprudential heads at the intermediate appellate court level. A California litigant and lawyer would be bound first to look for a decision of the joint en banc panel on a point at issue and if none, for a decision of his division en banc and if none, for a decision by a three-judge panel of his division to ascertain the law to be applied. Confusion and uncertainty as to applicability of legal precedents would likely exist for litigants and lawyers of other States in the ninth circuit as well as for those in California.

The multiplication of appellate hearings into three separate stages at the intermediate appellate level cannot but result in additional delay and expense to litigants and a duplication of workload for those judges who are members of the

joint en banc panel, who would have considered the case at the division en banc State and again as a member of the joint en banc panel. Also, there would be cases in which a petition or suggestion for hearing en banc is refused by the division en banc in which a hearing is thereafter granted by the en banc panel, which is composed of a different membership and may feel a responsibility for a different view of the law. Litigants will feel obliged to exhaust all three tiers of the appellate structure.

The splitting of California into divisions, which are virtually separate circuits except for the review jurisdiction of the joint in-banc panel, will produce confusion and delay in resolving sensitive types of litigation in which the State of California or its agencies are involved. As the Attorney General of California emphasized in his statement before the Subcommittee on Improvements in Judicial Machinery, there are many statutes which provide for court of appeals review of Federal administrative action concerning a State or State agency in carrying out a federally regulated program. If the State is divided into separate divisions, threshold litigation as to jurisdiction and forum-shopping would be probable. It would invite duplication and conflict of law.

We also take issue with some of the technical provisions of S. 729 respecting the jurisdiction and procedure of the proposed joint in-banc panel which appears unduly to restrict access to that panel to the point that the panel might be prevented from fulfillment of the basic purpose which it was intended to serve and that would be productive of unnecessary technical threshold controversies as to the extent of the jurisdiction of the joint in-banc panel.

Our amendments are designed to overcome these adverse features of S. 729. There has been some criticism of the amendment to the effect that "limiting the in-banc function in all cases to but nine judges" is not conducive to harmony in a court containing more than nine, and would have the effect of creating "first- and second-class circuit judges. Empowering an in-banc panel to make the law for the whole membership of the circuit is no different from the function exercised by an appellate tribunal over any group of lower tribunals. Such a division of authority and function is found in every judicial system and in every form of governmental and private organization. More importantly, the criticism stated is quite inconsistent with the terms of S. 729 itself. The function envisaged for the joint in-banc panel under S. 729 would be identical to that of the in-banc panel under our amendment except only for the fact that our amendment would apply the in-banc panel jurisdiction to all of the cases instead of only to a portion of them. That joint in-banc panel composed of nine judges proposed under S. 729 could decide, in a 5-to-4 decision, to overrule or reverse a decision of, for example, the proposed Southern Division of the Ninth Circuit, which would have 11 judges sitting in banc. Moreover, I am informed that the Commission on Revision of the Federal Court Appellate System now has under consideration, and may probably issue a report in favor of, a new supplementary proposal which would provide for similar in-banc panel type jurisdiction and procedure in any circuit when the number of circuit judges in the circuit exceeds nine.

The principle which appears to have been assumed by the Commission on Revision of the Federal Appellate Court system is that, with the exception of the Supreme Court itself, every circuit judge should participate in every in-banc decision no matter how large any circuit might become. This principle could be carried to an extreme. No one would suggest, for example, that the 100 or so circuit judges of all the circuits ought to get together and by majority vote of their whole membership decide conflicts of law between the several circuits.

In short, we believe that nine circuit judges selected by an appropriate process with relative stability and permanence of position—similar to the joint in-banc panel proposed in S. 729—would be a suitable tribunal to make and settle the law of the circuit. With such a review jurisdiction explicitly provided by statute we do not believe that there would result the "disharmony" feared by those who criticize.

The most important thing about our amendment is that it would in no way change any of the procedural or structural characteristics of the court with which all lawyers in the entire circuit are now familiar. It requires no drastic change of procedure or the addition of a whole new set of rules and concepts to be added to the sufficiently complicated nature of existing appellate procedure.

The provisions of our amendment are summarized as follows:

First. Section, 1, 2, 3, 4, and 6 of S. 729 would be amended to eliminate references to the Ninth Circuit, but would remain unaffected concerning the Fifth Circuit. Sections 5 and 9 of S. 729 would be amended to provide for the additional seven judgeships in the Ninth Circuit and the appointment of the additional judges, references to divisions are eliminated.

Second. Section 11 of S. 729 would be amended to delete the proposed section 46(d) and in lieu thereof substitute a new subsection (d). The substituted subsection would provide that in the Ninth Circuit there shall be a nine judge in-banc panel which shall exercise the in-banc powers of the court and would provide other details as to method of selection of the in-banc panel, its composition, procedure, and so forth. Subsections (a), (b), (c), and (e) of 28 U.S.C. section 46, as amended by section 11 of the bill, would be further amended to add exceptive cross-references to the new proposed subsection (d).

Fourth. Section 19 of S. 729, insofar as it would amend 28 United States Code, section 332(d) by adding a new third sentence to that subsection, would be amended to delete the references to divisions and to modify the language, relating to uniformity of local rules.

Fifth. Section 23 of S. 729, insofar as it would amend 28 United States Code, section 1294 would be amended to delete the reference to "Northern Division."

Sixth. Section 24 of S. 729, which would amend 28 United States Code, section 1254, and section 25, which would amend 28 United States Code, section 1291, would be deleted as unnecessary.

Seventh. In conjunction with the in-banc panel procedure, our amendment would amend Federal Rules of Appellate Procedure, rule 35 which governs court of appeals in-banc procedure to avoid any inconsistency between the provisions of the rule and the new statutory provisions for the ninth circuit in-banc panel. The amendment of the appellate rules are made subject hereafter to the powers of the regular rulemaking procedure under 28 United States Code, section 2072.

Our amendment also contains certain transition and effective date provisions respecting only the ninth circuit, which generally make the amendments effective January 1, 1976, the same date as is provided for the fifth circuit provisions of S. 729. The transition provisions provided for the ninth circuit have been arranged to determine with as much clarity as possible the applicability of the new provisions in different situations in order to avoid uncertainty, ambiguity, and litigation over the technicalities of the transition.

The proposed amendments to S. 729 will permit the Court of Appeals of the Ninth Circuit to dispose of its increasing caseload with efficiency while maintaining that essential consistency and unity in decisional law and in the orderly development of decisional rules that is the vital element of our judicial tradition.

Mr. President, I ask unanimous consent to insert in full the text of those amendments in the RECORD at this point.

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

AMENDMENT No. 132

On page 1, line 3, strike out "section 41" and all that follows up to page 2, line 3, and insert in lieu thereof the following: "that part of section 41 of title 28, United States Code, relating to the composition of the fifth judicial circuit is amended to read as follows:

"Circuits Composition

* * * * *

"Fifth:

"Eastern Division ---------- Alabama, Florida, Georgia, Mississippi, Canal Zone.

"Western Division ---------- Louisiana, Texas.".

On page 2, line 3, strike out "either".

On page 2, line 4, strike out "or ninth".

On page 2, line 6, strike out "either the fifth or the ninth circuit" and insert "the fifth circuit".

On page 2, line 9, strike out "either the fifth or the ninth circuit" and insert "the fifth circuit".

On page 2, line 12, strike out the word "either".

On page 2, line 13, strike out "or ninth'".

On page 3, line 5, strike out "either the fifth or the ninth" and insert "the fifth".

On page 4, line 2, strike out "two" and all that follows up to the colon on line 5, and insert "and seven additional judges for the Ninth Circuit".

On page 4, line 7, strike out "section 26" and insert in lieu thereof "section 25".

On page 4, line 14, strike out "section 26" and insert in lieu thereof "section 25".

On page 5, strike out all between line 2 and line 3 and insert the following:

"Circuits Places

* * * * *

"Fifth:

Eastern Division ---------- Atlanta, Jacksonville, Miami and Montgomery.

* * * * *

"Fifth:

Western Division ---------- New Orleans and Houston.

On page 6, between lines 17 and 18, strike out:

"Ninth

Northern Division ---------- 9

Southern Division ---------- 11".

and insert in lieu thereof:

"Ninth ---------- 20".

On page 6, line 19, strike out "in part".

On page 7, line 11, immediately before the period insert a comma and the following: "subject, in the case of judges in the ninth circuit, to the provisions of subsection (d) of this section".

On page 7, line 21, strike out the period and "A court" and insert in lieu thereof the following: "who comprise the court en banc or the en banc panel of the court. Except in the ninth circuit, a court".

On page 8, line 2, immediately before the period insert a comma and the following: "except in a rehearing by the en banc panel of the court under subsection (d) of this section".

On page 8, line 3, strike out all through page 9, line 11, and insert in lieu thereof the following:

"(d) In the ninth circuit the powers of the court en banc shall be exercised by an en banc panel of the circuit consisting of nine of the circuit judges of the circuit in regular active service, seven of whom shall constitute a quorum. The en banc panel consists of the chief judge of the circuit, who shall preside, and the eighth circuit judges in regular active service next highest in precedence. If a quorum is unavailable due to temporary inability to perform duty or disqualification of one or more of the members of the en banc panel, sufficient other circuit judges in regular active service and next highest in precedence shall act as members thereof to establish a quorum, except that the judicial council of the circuit may, by rule adopted by a majority thereof, provide a different system for constituting the en banc panel.".

On page 9, line 12, strike out "A majority" and insert in lieu thereof "Except as provided in subsection (d), a majority".

On page 17, line 10, strike out "In" and all that follows through line 21, and insert in lieu thereof the following: "Upon request of the governing body of the State Bar of any State in the ninth circuit which is divided into four or more districts, the judicial council may provide for, or the chief judge of the circuit, absent such provision by the judicial council, may appoint, a committee of judges resident in such State, which shall include district judges and may include circuit judges. The functions of the committee are to study and recommend improvements in local practice and procedure in the district courts of that State giving due regard to achieving relative uniformity of practice and procedure among the district courts. In carrying out its functions the committee may maintain liaison with, cooperate with, and accept the cooperation of, attorneys, groups, organizations, and associations of attorneys practicing in the State and judges, groups, committees or associations of judges, or judicial rule making bodies of the State. The judicial council may, to such extent and under such conditions and limitations as it deems appropriate, delegate to the committee its rule making authority over district court practice and procedure in that State.".

On page 21, line 12, strike out "Section 1297" and insert in lieu thereof "Section 1294".

On page 22, lines 4 and 5, strike out the comma and "Northern Division".

On page 22, line 6, strike out all through page 23, line 10, and insert in lieu thereof the following:

SEC. 24. Notwithstanding the provisions of section 2072 of title 28, United States Code, but subject to the power of the Supreme Court hereafter to prescribe rules under such section, the Federal Rules of Appellate Procedure are amended by striking out subsection (a) of rule 35 and inserting in lieu thereof the following:

"(a) Except in a circuit in which en banc powers are exercised under 28 U.S.C. § 46(d), a majority of the circuit judges who are in regular active service may order that an appeal or other proceeding be heard or reheard by the court of appeals en banc. In a circuit in which en banc powers are exercised under 28 U.S.C. § 46(d), a majority of the en banc panel provided for in such subsection may so order. Such a hearing or rehearing is not favored and ordinarily will not be ordered except (1) when consideration by the court en banc is necessary to secure or maintain uniformity of decisions of the court, or (2) when the proceeding involves a question of exceptional importance. The composition of the court en banc is prescribed by 28 U.S.C. § 46.".

On page 23, line 11, strike out all through line 15 and insert in lieu thereof the following:

SEC. 25. (a) The creation of courts of appeal for the eastern and western divisions of the fifth circuit including the exercise of jurisdiction conferred by this Act upon those courts shall become effective on January 1, 1976.

(b) The creation of the en banc panel in the ninth circuit and the amendments to the Federal Rules of Appellate Procedure made by this Act shall become effective January 1, 1976.

(c) The amendments made by this Act to title 28, United States Code, insofar as applicable to the ninth circuit, and the amendment to rule 35 of the Federal Rules of Appellate Procedure shall apply—

(1) to any case or proceeding in which judgment has not been entered in the court of appeals prior to January 1, 1976; and

(2) to any case or proceeding in which judgment is entered in the court of appeals prior to January 1, 1976, but in which a hearing or rehearing en banc could be ordered on or after January 1, 1976.

(d) The amendments made by this Act to title 28, United States Code, insofar as applicable to the ninth circuit, apply to any other case or proceeding which is ordered, prior to January 1, 1976, to be heard or reheard en banc, and is yet undecided on or after January 1, 1976, and which the judicial council of the circuit, in the interest of judicial economy and efficiency, orders, on or after January 1, 1976, transferred to the jurisdiction of the en banc panel.

Mr. CRANSTON. Mr. President, I am pleased to join today with my distinguished colleague from California (Mr. TUNNEY) in introducing legislation to resolve the difficult problems of administration of justice now confronting the U.S. Court of Appeals for the Ninth Circuit.

Our proposal amends S. 729, legislation introduced by Senator BURDICK to reorganize the fifth and ninth circuits. S. 729 addresses a serious problem affecting the ninth circuit. Presently, the circuit is not able to serve litigants and those interested in effective administration of Federal appellate justice. The circuit's 13 judges are overworked, appeals take too long to decide, and hearings in banc have been rarely held, because of difficulty in getting all of the 13 judges together at one place and one time.

Ordinarily, solving problems similar to these would not require great effort. An easy solution, however, is frustrated by the fact that the circuit is geographically the largest, covering nine States and Guam, and that one State—California—accounts for two-thirds of the court's workload.

S. 729 attempts to solve the problem by dividing the ninth circuit into northern and southern divisions with the dividing line cutting California in half. Differences in decisions affecting California would be resolved, under S. 729, by a special in banc panel consisting of the four senior judges of each division and the chief judge of the circuit.

S. 729 has been studied carefully by the Federal Courts Committee of the California State Bar. The committee opposes the plan to divide California for reasons given by my colleague, Senator TUNNEY.

The political and procedural difficulties of dividing California between two Federal appellate courts seems to me to be very great. In effect, California will be subjected to three separate appellate courts—the court of appeals for the northern division, the court of appeals for the southern division, and the special en banc court of appeals. Under such circumstances it seems inevitable that gradually a separate law will evolve for the southern half of California and a separate law for the northern half.

The unsettling provisions of S. 729 extend also to all States in the ninth circuit. Residents of other States doing business in California have as much interest as our own citizens in knowing for certain what is the law in California. Under S. 729 no one will know until the special, en banc panel resolves the problem.

The California bar proposal, which is essentially the one introduced today by Senator TUNNEY and myself, simplifies S. 729. It recognizes, as does the bill, that a streamlined en banc procedure is necessary if the ninth circuit is to retain its present alinement of States.

Under the California Bar committee plan, the ninth circuit would remain intact. To improve the administration of justice in the circuit, the bar committee proposes to reduce the size of in-banc panels from the full membership of the circuit bench to nine judges selected in order of seniority or in any other manner prescribed by the judicial conference of the circuit. This would free up junior judges to work on other matters as well as avoid the cumbersome situation which will result if the circuit and the in-banc panel are expanded to 20 judges. The bar committee plan also has the attractive features of foreshadowing coming recommendations for an additional intermediate court in the Federal system.

I feel that this plan offers a hopeful alternative for preserving the close economic and regional ties which California enjoys with her sister States in the ninth circuit without the unacceptable expedient of dividing California.

The proposal offered today by Senator TUNNEY and me is not the only answer to the problems of the ninth circuit. There may be other and better answers which will be presented to the Judiciary Committee and the Senate which will retain the integrity of California and also promote more efficient administration of justice in the ninth circuit. Our amendment is offered in a spirit of constructive cooperation. Senator BURDICK, as chairman of the Subcommittee on Improvements in Judicial Machinery, is to be commended on the admirable effort he has made to develop a forward-looking solution to the difficulties of the ninth circuit. The Federal appellate court system faces great problems nationwide. These difficulties have hit the ninth circuit first. To resolve these problems within our Federal-State system will take great statesmanship and understanding. We are fortunate that Senator BURDICK will be providing the leadership in what may well be the most profound development in Federal appellate jurisdiction in this century.

TAX REDUCTION ACT OF 1975—H.R. 2166

AMENDMENT NO. 133

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

Mr. HATHAWAY. Mr. President, today I would like to offer an amendment to H.R. 2166, the Tax Reduction Act of 1975. Since the Senate Finance Committee voted to delete the repeal of the oil depletion allowance from the House-passed version of this bill, I propose an amendment to restore that provision. The text of my amendment is the same as appeared in the House bill. This should avoid any delays cause by this issue in conference.

I ask unanimous consent that the text of my amendment be inserted in the RECORD at this time.

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

AMENDMENT No. 133

At the end of this bill, add the following new title:

REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS

SEC. 101. REPEAL OF OIL AND GAS DEPLETION.

(a) Section 613(b)(1)(A) of the Internal Revenue Code is amended by striking out the words "oil and gas wells," and by substituting therefor the words "certain gas wells as defined in subsection (e)."

(b) Section 613(b)(7) of such Code is amended by:

(1) Deleting "or" at the end of subparagraph (A) thereof;

(2) Deleting the period at the end of subparagraph (B) thereof and by inserting, in lieu thereof, "; or"; and

(3) Adding the following new subparagraph after such subparagraph (B):

"(C) Oil and gas wells."

SEC. 102. CERTAIN GAS WELLS.

The following new subsection is added to section 613 of the Internal Revenue Code:

"(e) SPECIAL RULE FOR CERTAIN GAS WELLS.—

"(1) The gas wells referred to in section 613(b)(1)(A) are—

"(A) wells producing regulated natural gas,

"(B) wells producing natural gas sold under a fixed contract, and

"(C) any geothermal deposit which is determined to be a gas well within the meaning of section 613(b)(1)(A).

"(2)(A) The term 'natural gas sold under a fixed contract' means domestic natural gas sold by the producer under a contract, in effect on February 1, 1975, and all times after before such sale, under which the price for such gas cannot be adjusted to reflect to any extent the increase in liabilities of the seller for tax under this section by reason of the repeal of percentage depletion. Price increases subsequent to February 1, 1975, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates to the contrary by clear and convincing evidence.

"(B) The term 'natural gas' means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 with respect to such product.

"(C) the term 'domestic' refers to petroleum from an oil or gas well located in the United States or in a possession of the United States.

"(D) The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(E) The term 'regulated natural gas' means domestic natural gas produced and sold by the producer, prior to July 1, 1976, subject to the jurisdiction of the Federal Power Commission the price for which has not been adjusted to reflect to any extent the increase in liability of the seller for tax by reason of the repeal of percentage depletion. Price increases subsequent to February 1, 1975, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence."

SEC. 103. EFFECTIVE DATES.

The amendments made by sections 101 and 102 of this bill shall apply to oil and gas produced on or after January 1, 1975.

AMENDMENT NO. 134

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

Mr. BENTSEN. Mr. President, for myself and Mr. CRANSTON, I am today submitting an amendment to the pending tax legislation to provide health insurance coverage to the unemployed. The text of this amendment is basically the same as that of the bill on the same subject I have also introduced this afternoon. I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

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

AMENDMENT No. 134

At the end of the bill, insert the following:

That this title may be cited as the "Emergency Health Insurance Extension Act of 1975".

TITLE I—CONTINUATION OF EMPLOYMENT-BASED HEALTH INSURANCE COVERAGE FOR THE UNEMPLOYED

ENTITLEMENT OF UNEMPLOYED INDIVIDUALS TO CONTINUED COVERAGE

SEC. 101. Any individual who—

(1) is entitled to receive compensation for any week under a State or Federal unemployment compensation law, and

(2) would be covered (or could have become covered) under an employment-based health insurance plan in such week through his most recent previous employment if such employment had not been terminated or discontinued,

shall be entitled as a former employee to continued coverage under such plan without additional cost for the month or months during which such week or any part thereof falls, as required by section 102 and more particularly described in section 103.

REQUIREMENTS APPLICABLE TO EMPLOYERS AND CARRIERS

SEC. 102. (a) Each employer whose employees are covered under an employment-based health insurance plan shall be require to include in such plan provisions assuring coverage for former employees in accordance with sections 101 and 103, as a condition of—

(1) the full deductibility (for Federal income tax purposes) of any payments or contributions made by such employer under or on account of such plan in any taxable year during any part of which such plan is in effect, and

(2) any treatment as a nonprofit organization (for such purposes) to which such employer may otherwise be entitled for any such taxable year.

(b) Each health insurance carrier offering one or more employment-based health insurance plans shall be required to include in each such plan provisions assuring coverage for former employees of the employer or employers involved in accordance with sections 101 and 103, as a condition of—

(1) the deductibility (for Federal income tax purposes) of any premium taxes paid by such carrier to the States or their political subdivisions with respect to premiums or other periodic payments received by the carrier under any of such plans in any taxable year during any part of which that particular plan is in effect, and

(2) any treatment as a nonprofit organization (for such purposes) to which such carrier may otherwise be entitled for any such taxable year.

(c)(1) Each health insurance carrier offering one or more employment-based health insurance plans shall also be required, as a condition of the deductibility and tax treatment specified in paragraphs (1) and (2) of subsection (b), to participate, with all other carriers of the same type offering plans which satisfy subsection (b), in an organization or arrangement under which the total amount of the claims paid by any such carrier under the plan or plans involved during any period; with respect to individuals who have been entitled to continued coverage under section 101 for more than three months after the month in which their most recent previous employment was terminated or discontinued (and with respect to expenses incurred by such individuals after the expiration of such three months), will be periodically adjusted (by the transfer of funds to or from that carrier) so that the net amount which that carrier is actually required to pay with respect to those claims will be the amount determined under paragraph (2).

(2) The net amount which any particular carrier is required to pay with respect to claims described in paragraph (1) during any period, after the adjustment referred to in such paragraph, shall be an amount which bears the same ratio to the total amount paid during such period with respect to all claims so described by all participating carriers of the same type as (A) the amount paid by that particular carrier under the plan or plans involved during such period with respect to all claims other than those so described bears to (B) the total amount paid by all carriers of the same type under such plans during such period with respect to all claims other than those so described.

(3) For purposes of this subsection—

(A) all carriers offering service benefit plans (of the kind described in section 8903 (1) of title 5, United States Code) shall be considered to be of one type, and all other carriers shall be considered to be of another; and

(B) in the case of a carrier which is an organization described in the second sentence of section 401(4), the amount of the claims (of any kind) paid during any period, as referred to in paragraph (1) or (2) of this subsection, shall be deemed to be equivalent to 90 per centum of the product of the applicable per-capita or per-family amount (referred to in such second sentence) multiplied by the number of individuals or families who are entitled to have payment made under the plan or plans involved or those claims.

NATURE AND EXTENT OF COVERAGE

SEC. 103. (a) The manner in which an individual entitled to continued health insurance coverage under section 101 may obtain such coverage and verify his entitlement thereto shall be specified in the provisions which are required by section 102 (a) and (b) to be included in the health insurance plan involved.

(b) The type and scope of the coverage to which any such individual is entitled under section 101 shall be the same as the type and scope of the coverage (individual or family) which would have been available to him had he continued in such employment.

(c) Each health insurance plan to which the requirements of section 102 relate shall include provisions effectively assuring to an employer's former employees who are entitled to continued coverage under section 101 that such coverage will be available to them (as long as they are so entitled) even if the employer ceases to do business or goes out of existence.

EFFECTIVE DATE

SEC. 104. Sections 101, 102, and 103 shall be effective with respect to all employment-based health insurance plans from and after the first day of the fourth calendar month which begins after the date of the enactment of this Act; except that with respect to any such plan which has been established through collective bargaining between the employer and representatives of his employees and the first termination (or renewal) date of which after the date of the enactment of this Act does not fall in either the second or third calendar month beginning after such date of enactment, such sections shall be effective on the first termination (or renewal) date of such plan occurring after such third calendar month but in no case later than the first day of the fourteenth calendar month after the month in which this Act is enacted.

TITLE II—TEMPORARY HEALTH INSURANCE PROTECTION FOR THE CURRENTLY UNEMPLOYED

ENTITLEMENT TO CONTINUATION OR RESTORATION OF COVERAGE

SEC. 201. Any individual who during the emergency period (as defined in section 206(a))—

(1) is entitled to receive compensation for any week under a State or Federal unemployment compensation law, and

(2) would be covered under an employment-based health insurance plan in such week through his most recent previous employment if such employment had not been terminated or discontinued,

shall be entitled as a former employee to have his coverage under such plan (or coverage of the same type and scope) continued or restored without additional cost for the month or months during which such week or any part thereof falls, as required by section 202 and more particularly described in section 203.

REQUIREMENTS APPLICABLE TO EMPLOYERS AND CARRIERS

SEC. 202. (a) Each employer whose employees are covered under an employment-based health insurance plan shall be required, upon application or request made as described in section 203(a) by an individual entitled to have his coverage continued or restored during the emergency period as provided in section 201, to take such action as may be necessary to continue or restore such coverage in accordance with sections 201 and 203, as a condition of—

(1) the full deductibility (for Federal income tax purposes) of any payments or contributions made by such employer under or on account of such plan during the taxable year (or years) in which such period or any part thereof falls, and

(2) any treatment as a nonprofit organization (for such purposes) to which such employer may otherwise be entitled for any such taxable year.

(b) Each health insurance carrier offering one or more employment-based health insurance plans shall be required to take such action as may be necessary to provide coverage with respect to each such plan for former employees of the employer or employers involved during the emergency period, without additional cost, in accordance with sections 201 and 203, as a condition of—

(1) the deductibility (for Federal income tax purposes) of any premium taxes paid by such carrier to the States or their political subdivisions with respect to premiums or other periodic payments received by the carrier under any of such plans during the taxable year (or years) in which such period or any part thereof falls, and

(2) any treatment as a nonprofit organization (for such purposes) to which such carrier may otherwise be entitled for such taxable year (or years).

PROCEDURE FOR OBTAINING CONTINUATION OR RESTORATION OF COVERAGE: NATURE AND EXTENT OF COVERAGE

SEC. 203. (a)(1) Any individual who is entitled to do so under section 201 may have his coverage continued or restored as provided in such section by submitting to the employer involved or his designated agent an application or request for such continuation or restoration together with such proof of his entitlement as may be necessary. If on the basis of such proof and the available records or after reasonable investigation the employer determines in good faith that the individual is in fact so entitled, the employer shall promptly make such arrangements with (and provide such information to) the carrier offering such plan as may be necessary or appropriate to assure such continuation or restoration. Any such determination of an individual's entitlement shall be conclusive for purposes of this title; but any willfully false statement or representation of such entitlement, made to the employer or made by the employer to the carrier under the preceding sentence, shall be subject to sections 1001 and 1002 of title 18, United States Code.

(2) An application or request may be made by an individual under this subsection at any time prior to the expiration of six months after the last day of his entitlement under section 201.

(b) The type and scope of the coverage which any individual is entitled to have continued or restored under section 201 shall be the same as the type and scope of the coverage (individual or family) which he had under the health insurance plan involved immediately prior to the termination or discontinuance of his employment; but no continuation or restoration of coverage under section 201 shall be effective with respect to any individual for any period beginning on or after the first day of the first month for which such individual is entitled, or would upon filing the appropriate application be entitled, to hospital insurance benefits under part A of title XVIII of the Social Security Act.

(c)(1) Payments to the carrier for items and services furnished or paid for under or in connection with an employment-based health insurance plan, in the case of individuals who are entitled to have such payments made solely by reason of the continuation or restoration of their coverage during the emergency period pursuant to this title, and payments to the carrier for administrative costs incurred in performing its functions under this title (at a rate no higher than that of the administrative costs incurred with respect to employed individuals covered by the plan), shall be made quarterly, in advance (on the basis of estimates) or by way of reimbursement, from the Federal Emergency Health Insurance Trust Fund as provided in section 204(d) in accordance with bills submitted to the Managing Trustee of such fund (or his delegate) by the carrier.

(2) In the case of a carrier which is an organization described in the second sentence of section 401(4), the payments made under paragraph (1) of this subsection shall be equivalent to the product of the applicable per-capita or per-family amount (referred to in such second sentence) multiplied by the number of the individuals or families who are entitled to have such payments made.

(d) In any case where an individual is entitled to have his coverage continued or restored under section 201 but his most recent previous employer has ceased to do business or has gone out of existence, the application or request described in the first sentence of subsection (a) shall be made directly to the carrier offering the plan to which such application or request relates and the coverage involved shall be provided by such carrier as though appropriate arrangements therefor had been made by the employer under the second sentence of such subsection.

FEDERAL EMERGENCY HEALTH INSURANCE TRUST FUND

SEC. 204. (a)(1) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Emergency Health Insurance Trust Fund (hereinafter in this section referred to as the "Trust Fund"). The Trust Fund shall consist of such amounts as may be appropriated to or deposited in such fund as hereinafter provided.

(2) There are authorized to be appropriated to the Trust Fund from time to time, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of the taxes imposed by section 4981 of the Internal Revenue Code of 1954 (relating to tax on health insurance premiums). The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such sentence.

(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the "Board of Trustees") composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the "Managing Trustee"). The Board of Trustees shall meet not less frequently than once each calendar year.

It shall be the duty of the Board of Trustees to—

(1) hold the Trust Fund;

(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and thereafter; and

(3) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and thereafter, a statement of the actuarial status of the Trust Fund, a statement of the extent to which any obligations issued under subsection (c) have been retired, and an estimate of the time at which the Trust Fund will cease to exist in accordance with subsection (e). Such report shall be printed as a House document of the session of the Congress to which the report is made.

(c)(1) In order to provide the Trust Fund with initial capital and to supplement amounts appropriated to it under subsection (a), the Trust Fund may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Trust Fund to carry out its functions under subsection (d). Each such obligation shall mature at such time and be redeemable at the option of the Managing Trustee in such manner as may be determined by the Managing Trustee, taking into account the provisions of subsection (e), and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligation. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Trust Fund issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchase of the Trust Fund's obligations hereunder. The proceeds of any obligations issued under this subsection shall be deposited in the Trust Fund.

(2) In order to assure that the basic financing of the Trust Fund is at all times accomplished through appropriations equivalent to taxes as described in subsection (a)(2), and to facilitate the termination of the Trust Fund as provided in subsection (e), all obligations issued under paragraph (1) of this subsection shall be retired at the earliest possible time.

(d) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as are necessary to make the payments provided for by section 203(c) of this Act and to pay the costs of the administration of such section, reduced or increased as required to take account of any amounts by which previous payments under this subsection are larger or smaller than they should have been.

(e) As soon as the Board of Trustees determines that all of the obligations issued by the Trust Fund under subsection (c) have been retired, and that there are no further claims against the Trust Fund for payments under subsection (d), the Managing Trustee shall immediately notify the Congress thereof and the Trust Fund shall thereupon cease to exist; any amounts remaining in the Trust Fund at that time shall be returned to the Treasury as miscellaneous receipts.

TEMPORARY EXCISE TAX ON GROUP INSURANCE PREMIUMS

SEC. 205. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 44—TEMPORARY TAX ON GROUP HEALTH INSURANCE PREMIUMS

"Sec. 4981. Imposition of tax.

"SEC. 4981. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed, with respect to each employment-based health insurance plan offered by a health insurance carrier, a tax equal to 1 cent on each dollar (or fractional part thereof) of the total amount of the premiums charged for coverage under such plan. The tax imposed by this subsection shall be paid by the carrier.

"(b) DEFINITIONS.—For purposes of this section—

"(1) PREMIUM.—The term 'premium' (with respect to an employment-based health insurance plan during any period) means any periodic payment which entitles the individual or family by whom (or on whose behalf) the payment is made, to the extent otherwise qualified, to the benefits provided under the plan, or, in the case of a plan sponsored or underwritten by an employer described in clause (B) of section 401(4) of the Emergency Health Insurance Extension Act of 1975, the cost (during such period) of paying claims under such plan plus the related cost of its administration.

"(2) OTHER TERMS.—Other terms have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975.

"(c) ADMINISTRATIVE PROVISIONS.—Under and to the extent provided by regulations of the Secretary or his delegate—

"(1) the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section; and

"(2) the tax imposed by subsection (a) of this section may be paid by deducting the amount thereof from any claims made by the carrier against the Federal Emergency Health Insurance Trust Fund under section 203(c(of the Emergency Health Insurance Extension Act of 1975.".

(b) The table of chapters for subtitle D of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"CHAPTER 44. Temporary Tax on Group Health Insurance Premiums.".

EMERGENCY PERIOD; EFFECTIVE DATES

SEC. 206. (a) As used in this title, the term "emergency period", with respect to the employees and former employees of any employer, means the period—

(1) beginning with the first day of the month in which this Act is enacted, and

(2) ending with the day preceding the first day on which title I is effective with respect to the former employees of that employer; except that if any such former employee is entitled to coverage under section 201 on the day specified in paragraph (2), the emergency period shall continue with respect to him (and section 101 shall not apply) until such entitlement terminates.

(b)(1) Except as provided in paragraph (2), the provisions of this title shall be effective as of the first day of the month in which this Act is enacted.

(2) The amendments made by section 205 shall apply with respect to premiums which are charged or payable on or after January 1, 1976, and prior to the last day of the month in or with the close of which section 204 ceases (as specified in subsection (e) thereof) to be effective.

TITLE III—TAX PROVISIONS APPLICABLE IN CASE OF NONPARTICIPATION BY EMPLOYERS OR CARRIERS

LIMITATION OR DENIAL OF DEDUCTION FOR CERTAIN PAYMENTS

SEC. 301. (a)(1) Section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses) is amended by redesignating subsection (h) as subsection (i), and by inserting immediately after subsection (g) the following new subsection:

"(h) LIMITATION OR DENIAL OF DEDUCTION FOR CERTAIN PAYMENTS IN CONNECTION WITH EMPLOYMENT-BASED HEALTH INSURANCE PLANS.—

"(1) EMPLOYERS.—Any deduction otherwise allowable under subsection (a) for payments or contributions made by an employer under or on account of an employment-based health insurance plan during any taxable year shall be reduced by an amount equal to one-half of the total of such payments or contributions if—

"(A) title I of the Emergency Health Insurance Extension Act of 1975 is effective with respect to such plan during any part of such year and such plan does not include provisions assuring coverage for former employees as required by section 102(a) of such Act; or

"(B) title II of such Act is effective with respect to former employees of such employer during any part of such year and such employer does not take the action required (with respect to such former employees) by section 202(a) of such Act.

"(2) HEALTH INSURANCE CARRIERS.—No deduction shall be allowed under subsection (a) or under any other provision of this chapter for any premium tax paid by a health insurance carrier to a State or political subdivision thereof with respect to premiums paid during any period on any employment-based health insurance plan offered by such carrier unless—

"(A) all employment-based health insurance plans offered by such carrier during such period include provisions assuring coverage without additional cost for former employees of the employer or employers involved as required by section 102(b) of the Emergency Health Insurance Extension Act of 1975; and

"(B) such carrier participates (throughout such period) in an organization or arrangement as required by section 102(c) of such Act.

For purposes of subparagraph (A), a health insurance plan shall be considered as including the provisions required by such subparagraph, during any period in which title II but not title I of such Act is effective with respect to such plan, if the carrier has taken the action required by section 202(b) of such Act with respect to all of the former employees of the employer involved.

"(3) MEANING OF TERMS.—Terms used in this subsection shall have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975.".

(2) Section 164(g) of such Code (cross references relating to deduction for taxes) is amended by adding at the end thereof the following new paragraph:

"(3) For provisions disallowing any deduction for certain premium taxes paid by health insurance carriers, see section 162(h)(2).".

DENIAL OF EXEMPT STATUS FOR CERTAIN EMPLOYERS AND CARRIERS

SEC. 302. (a) Part I of subchapter F of chapter 1 of the Internal Revenue Code of 1954 (relating to exempt organizations) is amended by adding at the end thereof the following new section:

"SEC. 504. CERTAIN EMPLOYERS AND HEALTH INSURANCE CARRIERS.

"No organization which is an employer or a health insurance carrier shall be exempt from taxation under section 501, or be considered an exempt organization for purposes of any other provision of this subtitle, with respect to any taxable year, if during any part of such year—

"(1) in the case of an employer, its employees are covered by an employment-based health insurance plan which does not include provisions assuring coverage without additional cost for former employees as required by section 102(a) of the Emergency Health Insurance Extension Act of 1975; or

"(2) in the case of a carrier (A) it offers and has in effect any employment-based health insurance plan which does not include such provisions as required by section 102(b) of such Act or (B) it is not participating in an organization or arrangement as required by section 102(c) of such Act.

For purposes of paragraphs (1) and (2)(A), a health insurance plan shall be considered as including the provisions required by either such paragraph, during any period in which title II but not title I of such Act is effective with respect to such plan, if the employer or carrier has taken the action required of it by section 202 of such Act with respect to all former employees of the employer involved. Terms used in this section shall have the same meanings as when used in the Emergency Health Insurance Extension Act of 1975."

(b) The table of sections for such part I is amended by adding at the end thereof the following new item:

"Sec. 504. Certain employers and health insurance carriers.".

EFFECTIVE DATES

SEC. 303. The amendments made by sections 301 and 302 shall apply in the case of any employer or carrier only with respect to periods, in taxable years ending after the date of the enactment of this Act, during which title I or title II of the Emergency Health Insurance Extension Act of 1975 is effective with respect to such employer or carrier.

TITLE IV—MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 401. For purposes of this Act—

(1) an individual who for any particular week is not entitled to receive compensation under a State or Federal unemployment compensation law, but who was entitled to receive such compensation for one or more previous weeks in the same continuous period of unemployment and would be so entitled for that particular week except for illness or injury, shall be deemed to be entitled to receive such compensation for that particular week;

(2) the term "employment-based health insurance plan" means a health insurance plan which (A) is sponsored by an employer or a labor organization, or both (including, where appropriate, a health and welfare fund), (B) covers some or all of the employees of such employer, and (C) the premiums for which are paid or collected wholly or in part by or through such employer;

(3) the term "health insurance plan" means an insurance policy, contract, or other arrangement under which a carrier undertakes in consideration of premiums (as defined in section 4981(b)(1) of the Internal Revenue Code of 1954) to provide, pay for, or reimburse the costs of health services received by individuals covered by the plan; and

(4) the terms "carrier" and "health insurance carrier" means (A) a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums (as defined in section 4981(d)(1) of the Internal Revenue Code of 1954), including a health benefits plan duly sponsored or underwritten by an employee organization, and (B) an employer (except a governmental entity) who is a self-insurer with respect to providing, paying for, or reimbursing the cost of health services for his employees. Such terms also include an organization which provides, either directly or through arrangements with others, health services to individuals enrolled with such organization on the basis of a predetermined per capita or per family amount without regard to the frequency or extent of the services furnished to any particular enrollee.

AMENDMENT NO. 135

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

Mr. DOMENICI. Mr. President, today for myself and Senator HUMPHREY I submit an amendment to H.R. 2166 that would encourage voluntary energy conservation. This amendment will provide temporary tax incentives for installing increased insulation and solar heating and cooling equipment in any residential or multifamily structure.

We are all aware of the hardships resulting from the energy shortage and drastically risen, especially those required consumption. The cost of all fuels has drastically risen, especially those required to heat and cool our homes. My amendment is designed to immediately encourage energy conservation by allowing the taxpayer a tax savings on expenditures of up to $4,000 for energy conservation materials. The taxpayer would have an option to either take a deduction of up to $4,000 from his taxable income or a 25-percent tax credit on those allowable energy conservation materials.

Energy conservation materials would include storm windows, storm doors, caulking, and insulation to the extent these materials exceed the specifications in the Department of Housing and Urban Development's minimum property standards and solar heating and cooling equipment.

My colleague, Senator HUMPHREY, has received a response from the Federal Energy Administration regarding the estimated Treasury loss as the result of my amendment. The letter estimated that the proposed amendment would cost the Treasury some $650 million annually through 1980 in lost tax revenue, assuming however that all taxpayers utilized the tax credit provision. The use of the tax deduction option would increase this estimated loss to $750 million.

The Federal Energy Administration also predicted that the savings from the reduction on the required imported oil due to these conservation measures would exceed $1 billion. In other words, the energy savings would pay for this amendment in less than 9 months.

Mr. President, I would sincerely urge my colleagues to consider the immediate need to reduce our level of energy consumption. This amendment, which has the support of the homebuilding industry and many energy conservationists, is a positive step in meeting our energy self-sufficient goal.

AMENDMENT NO. 136

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

Mr. BENTSEN. Mr. President, I submit an amendment to H.R. 2166. The House of Representatives has voted, in H.R. 2166, to repeal the percentage depletion allowance for oil and natural gas production. I am introducing an amendment to H.R. 2166 to limit the use of the percentage depletion allowance for oil and natural gas to the first 3,000 barrels of average daily production of crude oil and the first 18,000,000 cubic feet of average daily production of natural gas. The exemption will not be available to any producer who is engaged in marketing or distributing refined petroleum products.

This amendment is simply an embodiment of the recommended reform of percentage depletion contained in the congressional program of economic recovery and energy sufficiency adopted in February of this year. The 3,000-barrel-per-day figure was chosen by the House Ways and Means Committee as a definition of a small producer after extensive consideration last year. The 18,000,000 cubic feet of natural gas is the general energy equivalent of that level of crude oil production.

However, in addition to my amendment limiting percentage depletion to the generally accepted levels of a small producer, it makes the additional reform of limiting these permanent exemptions from the repeal of percentage depletion only so long as the producers to which they apply reinvest the tax savings into additional oil- and gas-related activities. This additional requirement will insure that independents' percentage depletion accomplishes its purpose of providing our Nation with new oil and natural gas reserves.

Mr. President, I regard the exemptions to any repeal of percentage depletion provided in this amendment as being absolutely essential for two reasons of national importance.

First, because it will further the cause of greater self-sufficiency in that it will retain a necessary tax incentive for the independent producers who are looking for and finding the new domestic oil and gas reserves in this country.

Second, it is the only way we will be able to prevent a further concentration at every level of the domestic petroleum industry.

Anyone familiar with the domestic energy industry is aware of the extraordinary contribution of the exploration efforts of domestic independents. While independent producers with no retail outlets control only 27 percent of the nation's present oil producton, they drilled over 85 percent of the exploratory wells—even when offshore exploration where independents operate at a

serious disadvantage is included. When only the continental United States is considered, that figure is 88 percent of the exploratory wells. The dominance of the independent exploratory effort is apparent at every depth of exploration—at the 12,000 to 15,000 foot range they still drilled 70 percent of the exploratory wells. Even at the extreme depths of 20,000 feet, independents drilled more exploratory wells than major oil companies.

Mr. President, they are not just drilling wells—they are finding new reserves. Last year, there were over 7,000 more successful wells brought in than in 1973. Independent producers brought in almost 80 percent of those new wells—every one of them adding to the future domestic energy supplies of this Nation. And I believe it is worth noting that that is the largest number of new wells completed since 1969 when the depletion allowance was last reduced.

The repeal of the percentage depletion allowance for this group of producers would put an end to this extraordinary effort they have underway to help this country achieve greater energy independence.

Independents have no profits from sales of refined products and no means of passing on the higher burden resulting from loss of depletion.

Independents rely heavily on outside risk capital to finance their exploratory activities. Without the benefits provided by the percentage depletion allowance, these funds will become increasingly unavailable and force a substantial reduction in exploration budgets.

Independents engage in the higher risk operation of drilling in unproven areas, as indicated by 88 percent of their production from discoveries in Texas between 1967 and 1971 coming from previously unproven areas while only 11 percent of major oil companies' production came from discoveries in unproven areas during the same period.

In short, the independents find the fields. The majors develop them. The independents take the big risk and the majors come in later buying up the leases to develop for their refineries and retail marketing. This has been the traditional pattern of the industry but is only a partial explanation of why the independent segment of the industry has traditionally done 80 percent of the exploration but produces less than 30 percent of the reserves.

The other answer is that until very recently, the oil industry was not profitable in the absence of down stream refining and marketing operations. During the period of 1958 to 1972, approximately 10,000 independent oil and gas producers went out of business—selling their interests to the major companies.

A study released by the Federal Trade Commission last year indicated that between 1957 and 1970 the 20 largest major integrated oil companies purchased 106 substantial American oil and gas producers—7 of whom were large integrated companies themselves.

The price increases for domestic oil have changed this economic climate where wholesale sellouts are no longer standard practice. However, these increases alone will not maintain this climate indefinitely, certainly not in the absence of the depletion allowance.

Since the embargo the average price of an average 4,800-foot exploratory well has risen from $85,000 to $165,000—a 100 percent increase. Pipe, drilling mud, rigs, labor, everything connected with oil production is increasing. It will not take long for these price escalations to remove any initial windfall which may have resulted from the sudden price increases.

Removal of the percentage depletion allowance will provide independents an economic incentive to sell their existing oil and gas producing leases to major oil companies who can take cost depletion on the appreciated base. But that is half the story.

Removal of percentage depletion will leave more of the Nation's future reserves to the major companies by reducing the ability of independents to finance their exploratory activities.

A recent analysis of independent producers' ability to finance future exploration without percentage depletion has been estimated to be between 15 percent to 30 percent lower due to reduced cash on hand and an unestimated additional reduction due to the unavailability of outside investment.

The repeal of the percentage depletion allowance without some form of small producer exemption will not only increase major oil company control over the existing petroleum resources of this country but will insure their control over the bulk of those yet to be found. Such a result can only further increase the market position of major integrated companies in the areas of petroleum refining and marketing.

Mr. President, there has been a great deal of discussion in the Congress over the last year and a half about the need to preserve a strong and viable independent marketing and independent refining sector and I share those concerns. But we are not going to be able to preserve that strong independent industry down the marketing chain in the absence of independent producers. This industry is a three-legged stool and it is not going to stand if Congress saws off one of the legs and that's what repeal of percentage depletion would do. It would saw off the leg upon which the other independent segments of the industry depend.

Mr. President, the repeal of the percentage depletion allowance on oil and gas with the small producer exemption provided by this amendment raises over two-thirds of the revenue of a complete repeal of the allowance. But it allows the independent explorer to continue his efforts in behalf of self-sufficiency and avoids additional concentration in an industry basic to our entire economy. I believe the American taxpayer and our energy consumers will be very well served by its adoption.

At this point in the RECORD I ask unanimous consent to have printed some information on the growing concentration in the oil industry.

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

CONCENTRATION LEVELS AND TRENDS IN THE ENERGY SECTOR OF THE U. S. ECONOMY

TABLE III-6.—ACQUISITIONS OF CRUDE OIL PRODUCING COMPANIES BY THE MAJOR CRUDE OIL PRODUCERS 1955-70

1970 crude rank, acquiring, and acquired firm	Year of acquisition	Assets (millions)
1. Exxon Corp.:		
1. Louisiana Furs Corp	1958	-------
2. Monterey Oil Co	1960	$102.2
3. Lincoln Oil Co. (partial)	1960	-------
4. General American Oil	1961	-------
5. Olin Oil & Gas Corp	1962	57.0
6. Pauley Petroleum (partial)	1962	-------
2. Texaco, Inc.:		
1. Trinidad Oil (foreign)	1956	180.0
2. Seaborad Oil Co	1958	93.1
3. TXL Oil Corp	1962	36.7
3. Gulf Oil Corp.:		
1. Warren Petroleum Corp	1956	163.9
2. British American Oil Co. Ltd. (partial)	1956	-------
3. Universal Consolidated Oil Co	1962	28.4
4. Shell Oil Co.:		
1. Section 30 Oil Co	1960	-------
2. Bishop Oil Co	1961	5.9
3. Producers Oil Corp. Amer	1961	-------
4. Western Natural Gas Co. (partial)	1961	[1].8
5. McCullough Oil Corp. (partial)	1963	[1]4.5
6. El Paso Natural Gas Co. (partial)	1964	[1]37.0
7. E. E. Fogelson	1964	6.6
5. Standard Oil Co., California:		
1. Producing Properties, Inc. (partial)	1962	[1]4.2
2. Mount Diablo Co	1964	2.3
6. Standard Oil Co., Indiana:		
1. Utah Oil Refining Co	1956	54.6
2. Kewanee Oil Co. (partial)	1960	[1]51.0
3. Hondo Oil & Gas Co. (partial)	1960	-------
4. Honolulu Oil Corp. (majority of assets—other portion acquired by Getty)	1961	99.2
5. Midwest Oil Corp	1964	62.7
6. General Crude Oil Co	1964	[1]1.8
7. Nafco Oil Gas, Inc. (subsidiary of Chris-Craft Industries)	1965	[1]6.0
7. Atlantic Richfield Co.:		
1. Houston Oil Co. of Texas	1956	77.5
2. Southern Production Co., Inc	1956	77.4
3. Daube Oil Department (partial)	1956	-------
4. Texas Pacific Coal & Oil Co	1958	62.7
5. John W. Mecom	1958	-------
6. Major Petroleum Co	1959	6.1
7. Buckley Scott Co	1961	-------
8. Argo Oil Corp	1961	37.1
9. Cabot Corp. (partial)	1961	-------
10. Headwaters Oil	1962	2.0
11. Dome Petroleum Ltd. (Canada) (partial)	1962	[1]8.7
12. Calumet-Creek Oils (Canada)	1962	-------
13. Petro Gas Products (subsidiary of Delhi-Taylor)	1963	1.3
14. Hondo Oil & Gas Co	1963	27.1
15. Western Natural Gas Co. (partial)	1963	[1]10.00
16. Drilling & Exploration Co., Inc	1963	22.9
17. Ambassador Oil Corp. (partial)	1963	[1]4.6
18. Hiawatha Oil & Gas Co. (partial)	1964	-------
19. Texas Gulf Producing Co	1964	69.7
20. Penn-Ohio Gas Co	1964	1.1
21. Richfield Oil Corp	1966	499.6
22. Oil Reserves (subsidiary of Barber Oil)	1966	[1]11.6
23. Sinclair Oil Corp	1966	1,851.3
24. C. B. Wrightsman	1958	-------
25. J. M. Rault Jr. & Associates (partial)	1962	-------
26. Davis Oil Co	1966	-------
27. Great American Industries, (Canada), (partial)	1967	[1]1.0
28. Wainwright Producers & Refiners, Monterey Petroleum, Le Duc Calmar Oil Co., Canada, (partial)	1966	[1]1.6
8. Mobil Oil Corp.:		
1. Hallmark Oil	1956	-------
2. Basin Oil Co. of California	1956	1.3
3. Liberty Bell Oil	1956	2.5
4. Franklin Fuel (partial)	1958	-------
5. Freeport Sulphur Co. (partial)	1958	[1]100.0
6. Republic Natural Gas Co	1961	48.0
7. Anchor Petroleum	1961	6.7
8. Northern Natural Gas (primarily Canadian)	1964	78.0
9. Bayview Oil Corp	1964	5.9
10. Magna Oil Co. (partial)	1964	[1]1.0
11. Franco Wyoming Oil (partial)	1965	-------
12. Texas Eastern Transmission	1967	-------
9. Union Oil Co. of California:		
1. Paul Moss	1959	-------
2. Woodley Petroleum Co	1960	30.1
3. Rockwood Oil Corp	1960	-------
4. Dominquez Oil Fields Co	1961	5.1
5. Davidson Drilling Co	1961	-------
6. Texas National Petroleum Co	1962	36.1
7. Albion-Scipio, Inc	1962	-------
8. Rovsek & Volk Co. (partial)	1962	-------

CONCENTRATION LEVELS AND TRENDS IN THE ENERGY SECTOR OF THE U. S. ECONOMY—Continued

TABLE III-6.—ACQUISITIONS OF CRUDE OIL PRODUCING COMPANIES BY THE MAJOR CRUDE OIL PRODUCERS, 1955-70—Continued

1970 crude rank, acquiring, and acquired firm	Year of acquisition	Assets (millions)
9. Williamson Oil & Gas (Canada)	1962	--------
10. Pure Oil Co	1965	$766.1
10. Getty Oil Co.:		
1. Wheless N.H. Oil	1960	1.0
2. Honolulu Oil Corp. (partial, other portion acquired by Standard Oil Co. of Indiana)	1961	--------
3. Magee Oil Co. (partial)	1962	--------
4. Claremont Oil	1965	2.0
5. Reef Corp. & J.R. Butler	1967	--------
6. Shamrock Oil & Gas Corp. (partial)	1967	--------
11. Sun Oil Co.:		
1. Arkla Oil Co	1957	--------
2. Seneca Oil Co. (partial, 16 percent interest)	1957	--------
3. Abaca Oil Co. (partial)	1962	--------
4. Band Oil & General Exploration (partial)	1965	[1] 1.5
5. B. E. Oil, Tex	1965	--------
6. J. G. Catlett Co. (partial)	1965	--------
7. Mayer-McClellan (partial)	1965	--------
8. Woods Petroleum (partial)	1967	--------
9. Sunray DX Oil Co	1968	749.0
12. Continental Oil Co.:		
1. Condor Petroleum Co	1956	--------
2. Rowland Drilling Co	1957	--------
3. Buffalo Oil Co	1958	2.5
4. Hamilton Dome Oil Co. subsidi- Westates Petroleum (partical)	1959	--------
5. Fuhrman Petroleum Corp	1959	--------
6. Kewanee Oil Co. (partial)	1959	[1] 10.0
7. San Jacinto Petroleum Corp	1959	35.6
8. Charles W. Scott	1959	--------
9. Oak Hill Co	1959	--------
10. Davis & Wegener	1960	[1] 1.3
11. W. F. Turner	1960	[1] 3.0
12. Calvert Petroleum Corp	1960	9.2
13. Southwest Resources, Inc	1961	--------
14. Royal Blue Venturea, Inc	1961	--------
15. Douglas Oil Co. California	1961	18.2
16. Poppy Oil Co	1962	--------
17. Aslimun-Hillard Co	1962	--------
18. Pauley Petroleum, Inc	1962	49.1
19. Victory Oil Co	1962	--------
20. Hudson Gas & Oil (partial)	1962	[1] 20.0
21. Security Freehold Petroleums Ltd. (controlled by Hudson's Bay)	1963	4.5
22. Delhi Taylor Oil Corp. (partial) other 50 percent acquired by Tenneco Corp.)	1964	[1] 20.0
23. Mayfair Minerals (partial) (other portion acquired by Tenneco Corp.)	1964	--------
3. Marathon Oil Co.:		
1. Tower Oil Co	1959	4
2. McClure Oil Co. (partial)	1960	[1] 7.0
3. Oregon Basin Oil & Gas Co. (partial)	1960	--------
4. Kinney-Coastal Oil Co	1960	2.8
5. Plymouth Oil Co	1961	80.8
14. Phillips Petroleum Co.:		
1. Consolidated Gas Co	1958	--------
2. Union Oil Co. of Calif. (partial)	1960	--------
3. Anton Oil Corp	1968	--------
15. Cities Service Co.:		
1. National Oil Co	1957	2.5
2. Llano Grande (partial)	1957	--------
3. G. C. Parker	1960	--------
4. V. M. Harrison	1960	--------
5. L. R. Development Ltd. (Argentina)	1961	6.7
6. Feimont Petroleum (partial)	1961	[1] 13.9
7. Fairway Oil	1961	--------
8. Valor Oil	1965	--------
9. Tern Oil	1965	--------
10. Harold D. Baker, et al	1967	[1] 20.0
16. Amerada-Hess:		
1. Gulf Oil Corp. (partial)	1960	--------
2. Delhi-Taylor Oil Corp. (partial)	1963	[1] 25.0
3. Hess Oil & Chemical Corp	1969	491.5
17. Tenneco:		
1. Delhi-Taylor Oil Corp. (partial) other 50 percent acquired by Continental Oil (50 percent)	1964	--------
2. Mayfair Minerals (partial), other portion acquired by Continentinental Oil	1964	--------
3. Wilcox Oil Co	1964	13.7
4. Leonard Oil Co	1965	--------
5. Middle States Petroleum Corp	1958	29.6
19. Union Pacific:		
1. Champlin Petroleum Co., Subsidiary of Calanesc Corp	1970	[1] 240.0
2. Pontiac Refiring Co	1970	--------
20. Signal Companies, Inc.:		
1. Hancock Oil Co	1958	62.7
2. Bankline Oil Co	1959	13.1
3. Eastern States Petroleum & Chemical Corp	1959	--------

[1] Consideration paid.

Note: (Partial) indicates partial acquisition.

Source: U.S. Federal Trade Commission, Bureau of Economics, Statistical Report No. 7, "Large Mergers in Manufacturing and Mining 1945-1970"; "Moody's Industrial Manuals, various years."

KNOWN COMPANIES PURCHASED BY SINCLAIR

American Republics Corporation.
Cudahy Refining Company.
Dancinger Oil & Refining.
Drilling & Exploration Co.
Keith Oil Company.
Oil Reserves.
Prairie Oil & Gas.
Prairie Pipe Line.
Producers & Refiners Corporation (Parco).
Richfield Oil Company.
Rio Grande Oil Company.
Texas Butadine Co.
Texas Gulf Producing Co.
Union Petroleum.

AMENDMENT NO. 137

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

Mr. HATHAWAY submitted an amendment intended to be proposed by him 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 a credit for certain earned income, to increase the investment credit and the surtax exemption, and for other purposes.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Bernard A. Meany, of Connecticut, to be an Assistant Commissioner of Patents and Trademarks, vice Richard A. Wahl, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, March 24, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. JACKSON. Mr. President, I wish to announce for the benefit of interested Senators that the Interior Committee will begin hearings on S. 740, legislation to establish a National Energy Production Board, on Thursday, March 20. The hearing will begin at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

The witnesses at this hearing will be the Honorable H. Fowler, former Secretary of the Treasury; Robert R. Nathan, economist; Felix G. Rohatyn, general partner, Lazard Freres & Co.; and Leonard Woodcock, president, United Auto Workers.

NOTICE OF HEARING ON NATIONAL PRODUCTIVITY AND QUALITY OF WORKING LIFE

Mr. NUNN. Mr. President, the Committee on Government Operations will conduct hearings on national productivity and quality of working life on Thursday and Friday of this week, March 20 and 21. The hearings will begin at 10 a.m. each day in room 3302, Dirksen Senate Office Building.

These hearings will focus on S. 765 and S. 937, which the distinguished Senator from Ilinois (Mr. PERCY) and I introduced, respectively.

The witnesses scheduled to testify on Thursday are: The Honorable Frederick Dent. Secretary of Commerce; Mr. Abraham Weiss, Assistant Secretary of Labor for Policy, Evaluation and Research; Mr. Dwight Ink, Deputy Administration of General Services and Mr. Donald Ephlin of the United Auto Workers of America.

Scheduled to testify on Friday are: Mr. Elmer B. Staats, Comptroller General of the United States; Mr. Charles Brown, vice president of employee relations at Honeywell, Inc.; and Mr. Jerome Rosow, planning manager, public affairs department at Exxon.

ADDITIONAL STATEMENTS

THE AMERICAN YOUTH SYMPHONY AND CHORUS

Mr. HUGH SCOTT. Mr. President, the American Youth Symphony and Chorus, founded in 1964, is a nonprofit organization incorporated under the laws of Pennsylvania. The American Youth Symphony and Chorus—AYSC—and its related organizations, the American Youth Symphonic Band and Chorus, the American Youth Chamber Orchestra and Chorus, the American Youth Studio Jazz Band, and the American Youth Humanities, are dedicated to the development of American youth and the furtherance of peace and understanding throughout the world through the performance of music. The AYSC has received the highest price from U.S. Government officials both at home and abroad, for its accomplishments in presenting an outstanding portrayal of America at its best.

The AYSC and its related organizations have accomplished 22 highly successful goodwill concert tours including visits to Western Europe; Iron Curtain countries of Russia, Czechoslovakia, East Germany and Yugoslavia; Mediterranean countries such as Israel, Turkey, and Greece; and the Islands of Olympia, Rhode, Cyrus, Bermuda, and the Grand Bahamas. The AYSC program offers the serious music student the opportunity of working with other talented students under outstanding conductors and of serving their country as musical ambassadors while having a travel experience of a lifetime. In many instances, students have received financial assistance from local businesses, foundations, fraternal organizations, clubs, civic groups, and patriotic individuals.

The AYSC has been instrumental in assisting other outstanding musical organizations in arranging successful concert tours and appearances at leading music festivals. The AYSC, in conjunction with Chadron State College has also developed a new American Youth Humanities Tour. College credits on this tour, as well as

on many of the music tours, are available through Chadron State College. The new American Youth Humanities program will enable students, teachers and adults to study man and his culture in a European setting.

The American Youth Symphony and Chorus, Studio Jazz Band and Chorus, Chamber Orchestra and Chorus, and Symphonic Band and Chorus have received numerous honors and awards both in the U.S.A. and abroad. Among these are five George Washington Medals of Honor presented by the Freedoms Foundation at Valley Forge, Pa.; six gold medal first prizes won at international music festivals; first prize at the 1972 Paris Jazz Festival; highest award at Tien Stedin Muziekconcours in Kompen, The Netherlands; an award from the Veterans of Foreign Wars for outstanding accomplishments in achieving a better understanding of the American way of life; and numerous gold medals for excellence in musical performance from the cultural committees of Europe.

To be sure, the members of the AYSC program are America's finest musical goodwill ambassadors.

Mr. President, I ask unanimous consent that the two letters from citizens of other nations be printed in the RECORD.

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

SEPTEMBER 30, 1974.

Dr. DONALD E. MCCATHREN,
Musical Director, School of Music, Duquesne University, Pittsburgh, Pa.

DEAR DR. MCCATHREN: Having just returned to Europe from the USA, it was a great pleasure to learn you were bringing the American Youth Symphony and Chorus to Germany and France. I very much enjoyed hearing your fine student-singers and instrumental musicians. I was pleased to be your special guest of honor at the first concert given in a new hall in Ommersheim-Saarland.

I am very impressed by your ability to bring together boys and girls from 35 or more states with few rehearsals and present music with such perfection. Your concert, ranging from Bernstein to Beethoven, received—and deserved—tremendous applause of nearly a thousand listeners in a musically minded village with only a little over twice that number of inhabitants. The presentation was not only great music, but also great international friendship.

All this—as I became aware of—has been done not by paid people but by dedicated citizen volunteers like yourself, Joseph Hofmann, James Getty and Mrs. Joan Pulver, who use much of their own time and money to promote this valuable international understanding.

Living in homes with families, giving tremendous concerts, and getting to know people in various nations, you and your group return home with many rich experiences including serious studies like that of Verdun. With such fine good will ambassadors like you, building bridges between countries and continents, we will not have to fear about the future of mankind.

Sincerely,

WERNER MONTAG,
Le Consul General.

JULY 16, 1974.

DIRECTORS, STUDENTS AND CREW OF "AMERICAN YOUTH SYMPH. BAND & CHORUS"
Atten: Prof. J. Paterson.

DEAR FRIENDS: On behalf of all members and management of "De Bazuin" as well as your dutch hosts, I cannot do anything but thank you for the friendship and kindness we met with during your really too short stay in Oud-Beijerland.

Perhaps you all have meanwhile forgotten us and the days you were in The Netherlands as you all are too occupied by rehearsals, concerts etc. on this tour but for our people in Oud-Beijerland these days were really fantastic and surely, we never forget you as honestly said: your group was the best one we ever had and up to now your visit and concert is still "the talk of the town".

All of you, without exception, have proved fully ability to present the image of your country and you were really excellent ambassadors of the U.S.A.; not any discordant sound has been heard.

We from our sides, hope that we succeeded in offering you good hospitality and that we have proved to be sincere friends.

"No man is an island—No man stands alone". This we experienced during these days which will last in our memories for ever.

To end with: I do hope that you will have a very successful and pleasant tour and that you will arrive safely in your country with nothing but good memories to our continent.

All the best and—who knows—till we meet again.

God bless,

BILL VAN DAM.

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

Mr. CANNON. Mr. President, although the administration has not formally submitted legislation extending the Airport and Airway Development Act of 1970, I am extremely concerned about certain proposals which the Department of Transportation has indicated will be forthcoming.

The Airport and Airway Development and Revenue Acts of 1970 have provided for modernization and expansion of the Nation's air transportation system. The users of the system, the airlines, airline passengers and shippers, and general aviation, are nearly unanimous in their opinion that the development of the system has been orderly, effectively, and reasonably managed. Nonetheless, there are aspects of the law which require modification and these will be reviewed by the Senate Aviation Subcommittee when hearings are held next month.

Whatever changes are made in the system, they must be fair and, above all, workable. The President's proposal to impose a new airport departure fee of $5 and $10 on general aviation flights is impractical and unfair for a number of reasons. By the administration's own calculations, general aviation activity will be decreased if such a fee structure should be enacted. An additional burden will be placed upon the airport operator in the collection of such fees, since no other collection system exists. The real cost of administering such a fee structure would be enormous and would outweigh the revenue benefits.

While I support the concept that users of the system should pay part of the costs of the airport/airway system, I firmly believe that such changes must be fundamentally equitable. General aviation is currently contributing its portion of user charges through a 7-cent-per-gallon fuel tax as well as annual weight and registration fees. I do not believe that additional taxes should be placed on the industry which will hurt its growth and vitality in view of the already heavy burden of taxation.

Moreover, I am concerned that the administration proposal does not recognize the important public benefit contribution of general aviation to the national economy. The smaller airports of this country play a significant role in economic development and provide access for many hundreds of communities to the national air transportation system. The administration proposal basically recognizes the larger airports served by the airlines but does not adequately consider the air transportation needs of the smaller communities. This is an additional area that the Aviation Subcommittee will be closely examining next month.

FREER TRADE WITH RECIPROCITY

Mr. GOLDWATER. Mr. President, on March 11, I filed a brief with the U.S. International Trade Commission which was holding a field hearing at Phoenix, Ariz., with respect to domestic industries which may be affected by international trade negotiations conducted under the Trade Act of 1974.

In this paper, I advised the Trade Comission of my wish that U.S. negotiators at the world talks should aim for freer access of American products in foreign markets. Also, I told the Commission of my belief that most Arizona industries support freer trade with an assurance that foreign countries will be open to our exports on equal competitive terms to the access given foreign commodities here.

In my opinion, the people of Arizona would generally agree with the recommendation of the first U.S. Secretary of State, Thomas Jefferson, who reported to Congress in 1793 that—

> Free commerce and navigation are not to be given in exchange for restrictions and vexations; nor are they likely to produce a relaxation of them.

Major points included in my brief were:

First. Imports generally can contribute to a healthy competition and lower costs in the importing country, so long as unfair practices, such as foreign subsidies and dumping, are guarded against.

Second. U.S. exports provide jobs for almost four million American workers.

Third. U.S. agriculture holds a special rank in U.S. trade and should be given high priority consideration in the upcoming mulilateral trade negotiations. Agricultural and industrial matters must be negotiated as a package.

Fourth. Arizona had close to half-a-billion dollars of manufactured and agricultural export sales in 1974.

Fifth. A growing export market could help to restore employment in Arizona's electronics industry, which has laid off 8,000 workers.

Sixth. The U.S. duty on imported copper should be maintained at its present level for times when copper is in excess supply in the world.

Seventh. Cotton accounted for 40 percent of Arizona's total farm exports, but both domestic consumption and foreign

sales are down this year. Cotton exports should be protected and the U.S. duty on extra-long staple cotton must not be reduced.

Eighth. The survival of Arizona's citrus industry depends upon keeping and increasing exports, which requires the dismantling of illegal trade barriers erected by the European Economic Community and Japan.

Ninth. The Meat Import Act of 1964 should not be negotiated away at a time when the Arizona and American cattle industry is in serious jeopardy.

Mr. President, I ask unanimous consent that the complete text of my brief with respect to the International Trade Negotiations be printed in the RECORD.

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

INVESTIGATION WITH RESPECT TO PRESIDENT'S LIST OF ARTICLES WHICH MAY BE AFFECTED BY INTERNATIONAL TRADE NEGOTIATIONS

(Brief of U.S. Senator BARRY M. GOLDWATER)

I. INTRODUCTION

This brief is filed for Senator Barry Goldwater by counsel in response to the invitation of January 22 to present views which might assist the Commission in advising the President with respect to the economic effect on United States industries of modifications of duties authorized by the Trade Act of 1974.[1] In light of the significant connection between the state of production and trade of industries in Arizona and the conditions relating to competition with foreign industries producing similar articles, and in in accordance with section 131(d) of the Trade Act of 1974, relating to the functions of the Commission, this brief includes information with respect to concessions in foreign industrial countries which Arizona industries require in order to obtain competitive opportunities in those countries substantially equivalent to the competitive opportunities which may be provided by concessions made by the United States for the commerce of such foreign countries.

II. IMPORTANCE OF INTERNATIONAL TRADE

America is a trading nation. In calendar year 1974, total United States exports and imports exceeded 200 billion dollars on a c.i.f. import value basis.[2] United States exports amounted to 98 billion dollars and the c.i.f. import value, swollen with over 27 billion dollars of foreign fuel,[3] was 108 billion dollars.

Putting the aberration of fuel imports aside, imports in general can contribute to a health competition, and lower costs, in the importing country. Also, many American firms have much to gain from an open access to materials needed as components of their own production.

Of course, to the extent that United States imports are a consequence of unfair competition, such as foreign governmental subsidies or dumping, unnatural distortion of U.S. production and employment occurs which is unacceptable and must be corrected.

Looking at the side of the trade coin, American exports not only account for sales valued at 98 billion dollars but also provide jobs for almost 4 million American workers. According to the U.S. Bureau of Labor Statistics, export markets created 3,600,000 jobs at home in 1972 and about 3,775,000 jobs in 1973.[4]

III. AGRICULTURE

Agriculture holds a special rank in the United States trade picture. There were 11.2 billion dollars (c.i.f. value) of agricultural commodities imported by the United States in 1974, compared with 22.2 billion dollars in agricultural exports.[5] In Arizona alone, farm exports represent 41% of the value of total crop production.[6]

Not only did U.S. agriculture contribute to the positive side of the U.S. trade ledger in 1974 by a surplus of 11 billion dollars, but agricultural exports provide approximately 1 million jobs involving the production and export of farm commodities. According to latest unpublished data of the U.S. Bureau of Labor Statistics, about 556,000 agricultural workers were employed in export-related production in 1973. To this employment can be added approximately 450,000 non-farm jobs which were directly or indirectly related to the assembly, processing and distribution of agricultural commodities for export.

Although it is clear that a healthy agricultural export market promotes the economic well-being of the United States in a major way, it is argued by some that a rise in exports of farm products is accompanied by a rise in home food budgets. The empirial evidence proves otherwise.

First, a strong agricultural export market permits maximum utilization of our national agricultural plant and promotes efficiency. Increased efficiency benefits the consumer.

Second, a comparison of the average percentage of disposable income spent by American consumers on food in the current three year period during which United States food exports accelerated (1972–1974) against that of the three preceeding years (1969–1971) shows that the percentage remained stable. The percentage of income spent on food is actually lower at 16.03, in the 1972–1973 period than the average of 16.10 in the earlier period, although food exports were four times greater in 1972–1974.[7]

Third, it must be recognized that export reductions or controls would depress domestic production. It is wrong to assume that agricultural production will stay at its current high level if exports are curbed. Lower production would mean less efficiency and higher costs.

Fourth, it is important to note that a high level of domestic agricultural production, stimulated by exports, has almost eliminated government farm payments. The period of large agricultural exports has been followed by a great drop in U.S. government farm program costs. In the 1974 fiscal year alone, direct payments to farmers declined over $2 billion, to about $500 million from $2.6 billion in 1973. This factor should certainly be considered as an offset to food prices and a saving to all consumers, as taxpayers.

Thus, the long-term effect of food export expansion on food costs is negligible. Sudden price distortions may occur in particular food sectors due to unexpectedly large purchases in a short period of time but this problem can be managed by improved information and monitoring practices regarding purchases and more flexible contract conditions regarding supplies.

What this means for the United States is that the importance of agricultural trade should be duly recognized by adhering closly to the overall negotiating objective set forth in section 103 of the Trade Act of 1974, which specifies that agricultural and other industrial matters must be considered as a package.[8]

It would also serve the United States well to heed the urging of the Commission on International Trade and Investment Policy, which, at page 165 of its Report to the President of July 1971, warns that:

"Because agricultural trade flows are not balanced between major nations, equivalency of concessions will be achieved only through broader negotiations involving both agricultural and non-agricultural trade and possibly other international economic matters as well."

IV. BACKGROUND ON ARIZONA TRADE

A. *Overview*

Arizona has 34 manufacturing establishments in nine industry groups which reported export shipments in 1972. The value of these manufactured exports was 240 million dollars, with principal export shipments being of machinery, electrical equipment and supplies, and processed food.[9]

The estimated value of Arizona agricultural exports for the 1974 crop year is 189 million dollars.[10]

The chart below shows principal data about major Arizona industries:

ARIZONA—GENERAL STATISTICS BY MAJOR INDUSTRY GROUP

Industry	1974 value of shipments (millions)	1974 employment
Manufacturing	$2,270	111,500
Mineral production	1,520	27,100
Copper	(1,300.5)	(25,000)
Agriculture (cash receipts)	1,232.3	23,200
Crops	(603.5)	
Livestock and products	(628.8)	

Sources: Valley National Bank, Economic Research Department; Arizona Crop and Livestock Reporting Service; Arizona Department of Economic Security.

In general, Arizona industries are committed to a policy of freer trade on a non-discriminatory basis. This attitude assumes, however, that access to foreign industrial countries will be open to United States trade on equal competitive terms to the conditions of foreign market access in the United States. In many instances, this means that duties in the United States should not be lowered, nor should free access be granted to certain commodities, until the foreign duty level and trade barrier situation is brought down to the level of access provided by the United States.

B. Manufacturing

1. Electronics Industry. The United States electronics industry is marked by leadership in the development of high technology around the world. Among leading elements of this industry are semiconductors and computers. We started ahead and we stayed ahead.

In view of the demand for state-of-the-art products, the American electronics industry has been able to achieve a positive export balance in the area of these high technology products. In semiconductors alone, of which there is a sizable industry in Arizona, the United States enjoyed a trade surplus of over $225 million in 1973.[11]

The electronics industry is one of the largest civilian employers in Arizona, and still employs over 34,000 workers, but recessionary pressures have caused the layoff recently of over 8,000 employees in this part of our State's economy.[12] A growing export market could help to revive this industry and restore the lost jobs.

In this connection, it must be noted that the American industry is encountering stiffer trade barrier abroad, both in the form of tariff and non-tariff barriers.

The electronics industries of other developed nations have relatively free access to our market. As an example, $4 billion of electronic products were imported into the United States in 1973. At the same time, foreign nations are sealing off their home grounds to United States sales.

As to semi-conductor products, the United States maintains a specific duty rate of 6%, but numerous foreign countries keep a duty far above our own. These duties within our

Footnotes at end of article.

trading partners should be reduced at least to the level of duties in the United States.

The chart below identifies several target areas of high duty restrictions on semi-conductor items which should be included in the negotiating concessions sought by the United States in the multi-lateral talks.

FOREIGN TARIFFS—SEMICONDUCTORS (TSUS 68760)

Product description	Importing country, EEC	Percent rate [1]
Transistors and microcircuits		17.0
Piece parts and unfinished		9.0
Microcircuits	United Kindgom	18.2
Do	Denmark	8.0
Do	Spain	26.0
Transistors and microcircuits	Argentina	90.0
Unfinished		15.0
Transistors and microcircuits	Brazil	55.0
Unfinished		15.0
Transistors and microcircuits	Mexico	25.0
Unfinished		15.0
Mounted transistors-microcircuits.	Israel	25.0
Microcircuits	Australia	35.0
Do	Canada	17.5
Do	Japan	15.0

[1] U.S. rate on all TSUS 68760 articles, 6 percent.

Tariff concessions alone will not assure fair market access of U.S. electronics products in the developed countries, and our negotiators should strive to eliminate non-tariff barriers which damage the market accessibility of American products.

A principal U.S. goal with respect to the electronics industry should be the elimination of "Country of Origin Rules" in the European Community. This aspect of the European preference system can cause serious injury to United States semi-conductor and micro-circuit exports.

These rules are tied to agreements between the European Community and the European Free Trade Association countries which reduce the internal duties within these trade blocs. The "Rules of Origin" specify the contents criteria products must meet in order to qualify for such preferential tariff reductions.

This will mean that as the duties are reduced to zero within the EC/EFTA trade blocs, users will want to obtain their components from local sources, instead of using components produced by U.S. companies, in order to receive preferential duty treatment for their products. The 3% transistor Rule of Origin will especially have a major impact on U.S. electronic firms.

Why "transistors?" Why "3%?" This rule is so unfair that a German radio, for example, may actually contain 96% local source parts, but if the other 4% of the value of the finished product consists of U.S. transistors, that radio would have to sell in a EFTA country, such as Sweden, at the full external duty rate, rather than at a reduced or zero preferential rate.

The only alternative is for European subsidiaries of U.S. companies to take advantage of this obstacle to trade themselves, which will affect their ability to be substantial purchasers of U.S. parent company products. Or U.S. firms must completely give up a big share in the largest market blocs in the outside world and the related flow of earnings from abroad.

2. Copper Mining. In considering the import duty on copper, it is important for this Commission to note the significance of the copper-producing industry to the nation and, particularly, to Arizona.

In 1973, for example, more than half of domestic copper production came from Arizona, over 927,000 tons. Arizona production alone constitutes 14% of the free world production.[13]

The copper industry in Arizona employs over 25,000 persons.[14]

Footnotes at end of article.

The duties on copper were first levied in 1932 at the rate of 4¢ a pound when copper was selling at only 9–12¢ per pound. Since that time, these duties have been almost entirely reduced, by Executive actions taken under the Reciprocal Trade Act and the Trade Expansion Act, to the present rate of 00.8¢ per pound.

Even this low duty has been suspended when copper was in short supply. But in times when copper is in excess supply in the world markets, as is the case again today, the existence of some duty is needed to offset advantages which foreign producers derive from substantially lower wage rates and higher ore grades.

The Bureau of Domestic Commerce estimates that free-world copper consumption in 1974 was off by at least 10 percent, reflecting the sharp decline in economic activity in the United States, Japan, and Western Europe. Copper consumption has been especially hard hit in the housing and automotive markets and by curtailed capital spending plans in the utility industry.[15]

At the same time, London Metal Exchange prices have fallen rapidly from a $1.52 high on April 1, 1974, to approximately 55–58 cents a pound currently, placing downward pressure on U.S. producer prices.[16]

It is important to the national security that a healthy domestic copper industry be maintained. The ability to impose the present duty when the economic situation demands will, to a reasonable extent, offset the cost advantages of foreign producers without impeding needed copper imports.

C. Agricultural production

1. General. The total value of principal agricultural exports for Arizona in the 1974 crop year is $189 million. The table below contains the significant statistics:

ARIZONA AGRICULTURAL PRODUCTION AND EXPORTS, 1974 CROP YEAR

[In millions of dollars]

	Value of farm production [1]	Farm exports [2]
1. Crops (total cash receipts)	603.5	
Cotton	251.0	66.0
Cottonseed oil	31.3	7.0
Wheat	48.9	42.0
Feed grains (sorghum, barley, corn)	62.8	13.0
All hay, including alfalfa	86.1	
Alfalfa seed	.9	
Protein meal		.1
Vegetables	85.1	9.2
Fruit:		
Grapes	9.0	11.1
Lemons	18.1	11.1
Oranges	10.0	6.7
Grapefruit	4.2	3.3
Potatoes	11.7	
Safflower	5.5	
Sugar beets	5.0	
Other		12.0
2. Livestock and products	628.8	
Total cash receipts:		
Meats and products		4.0
Hides and skins		6.4
Lard and tallow		8.0
Total	1,232.3	188.8

[1] Arizona Crop and Livestock Reporting Service.
[2] Economic Research Service, USDA; College of Agriculture University of Arizona.

2. Cotton. As shown on the table above, cotton is Arizona's principal crop, providing cash receipts of $251 million to Arizona farmers in 1974.

Approximately 40 percent of Arizona's total farm export sales, or $73 million, was accounted for by cotton and cottonseed oil. Some Arizona growers report that over 70 percent of their production is exported.

Currently, producers are facing increasing costs of production and declining demand, both domestically and abroad.

Since the mid-1960's, domestic consumption of raw cotton has declined, from about 9.5 million bales to 6.0 million bales. Until this year, worldwide consumption of cotton had increased, however, particularly in Asia, Africa, and the Communist countries.[17]

Exports of U.S. cotton had increased with the rise in world demand. In fact, the United States achieved a trade surplus of $1.3 billion in raw cotton during 1974. But this year exports are declining, from 5.8 million bales in 1973–74 to an estimated 3.4 million bales in 1974–75.[18]

From this, it is clear that exports are vital to the success of cotton and that a high priority goal of the United States at multilateral talks should be protection of these markets. Developments, such as the recent reneging on purchase contracts in Korea, the Philippines, Thailand, and Taiwan, should be dampened at the outset before this omen becomes a common practice. I would note at this point that the Embassy of Taiwan has given assurance that the purchase contracts in Free China will be honored.

Certain textile mills located in these countries had violated the long-established principle of sanctity of contracts by refusing to honor obligations entered into with the U.S. cotton trade. If the problem is not solved in all countries, the very foundation on which all international trade is based—the performance of contracts—will be shaken.

I would also agree with the position taken by Mr. J. S. Francis, Jr., President of the Arizona Cotton Growers Association, that further reductions in the duty on extra-long staple cotton would be harmful to that industry.

3. Citrus. Arizona is the second largest fresh citrus exporter in the United States. In all, Arizona growers marketed $32.3 million of citrus during the 1973–1974 season.[19] Arizona packing houses shipped over $45.4 million of fresh fruit during the same crop year and diverted the equivalent of $4.9 million of fruit to juice and by-products.[20]

Of this quantity, Arizona exported 2.5 million cartons of oranges, 1.8 million cartons of lemons, and 1.2 million cartons of grapefruit.[21] The combined dollar value of these exports was $21 million,[22] which represents about half the value of all shipments from Arizona citrus packing houses.

Total citrus-related employment in Arizona exceeds 7,000, including about 1,000 growers, 1,420 employees of packing houses, 3,450 pickers, and 1,275 full-time farm workers. The combined 1974–1975 payrolls of Arizona growers and packing houses for citrus workers is estimated to be $20.2 million.[23]

As competition on the world market for fresh citrus is intense, any change in access given by an consuming country will have a significant effect on the flow of trade in citrus. For this reason, duties in the United States should not be unilaterally lessened without first reaching world-wide agreements on tariff schedules and other barriers to the citrus trade, which will provide a natural and fair access to U.S. exports.

Certainly, it should be a precondition to the granting of any U.S. concessions on citrus that existing barriers to our exports, which are known to be illegal, should be removed. One of these illegal practices is the preference system operated by the European Community.

Since August of 1969, Tunisia and Morocco have enjoyed an 80% reduction, or preference in the rate of duty of fresh oranges and lemons. Spain and Israel have received a 40% preference in some months of each year beginning with September of 1969, and in December of 1972, the EEC signed a 40% preferential agreement with Lebanon, Cyprus and the United Arab Republic. Most agreements include a 40% reduction on grapefruit as well.

Furthermore, on the basis of information received by counsel to Senator Goldwater during two investigations in Europe, it is believed the European Community has re-

negotiated these earlier agreements with a view to 1) increasing the preferences of all countries now having less than an 80% preference and 2) extending the preferences to cover citrus fruit juices and canned citrus fruit.

The preferential agreement system is clearly illegal under GATT and has caused enormous damage to U.S. citrus exports. United States officials have repeatedly attested to the illegality of European Community preferences on citrus fruit. For example, in their statements before the Senate Subcommittee on Agricultural Exports in March of 1971, spokesmen for the Department of Agriculture, Department of State, and Office of the Special Representative for Trade Negotiations, testified respectively that "the preferences discriminated against U.S. citrus in violation of the most-favored nation provision of the GATT." [24]

In addition, the inter-agency Trade Information Committee, after public hearings, determined that the citrus preferences fall within the conditions enumerated in section 252 of the Trade Expansion Act as an unjustifiable import restriction.[25]

On April 1, 1971, the United States Senate officially went on record with a finding of the illegality of the citrus preferences by agreeing without objection to Senate Resolution 89.[26]

One of the most devastating findings against the preference system appears in the report of July, 1971, by the Presidential Commission on International Trade and Investment policy, which in at least 15 different places attacks the EC preferential trade arrangements.[27]

Typical of that Commission's statements is its conclusion that "the spread of such regional preference schemes endangers the multilateral fabric of the entire trading system." [28]

The agreements are illegal because they do not satisfy the requirements of Article XIV of GATT for exceptional treatment as free-trade areas, which is the asserted basis of the agreements. There is no commitment to move toward eliminating duties and other restrictions on *substanatially all* intratrade between the European Community and preference nations, and there has not been any time specified for achievement of a free trade area, both requirements of Article XIV.

An additional factor contributing to the illegality of the preferences is the fact noted at page 241 of the report to the President by the Commission on International Trade and Investment Policy that these arrangements "usually contain reverse preferences by the developing countries in favor of the Community."

Another destructive trade practice used by the European Community in connection with its preference arrangements is the "reference price" system. By this practice, the Community requires that prices for citrus be kept at or above a certain reference level. If a nation's fruit falls below the reference level, that producer is penalized by losing the preference.

The practice is destructive of normal world trade flow because it causes unnatural diversions of exports by preference nations to other markets which they would not usually penetrate, but for the compulsion to maintain the reference price within the Community.

The adverse effect of the European Community preference system was immediate and sharp. For example, U.S. exports of fresh oranges to the Community in 1972 were down by 51% from the last pre-preference season of 1969.[29] The injury was especially severe during the early shipping season when Arizona fruit is at the peak of its quality. From March through May of 1972, all U.S. fresh orange shipments to the Community were *two-thirds less* than in the same months of 1969.[30]

Japan, also, maintains an illegal practice restricting imports of fresh oranges and orange and grapefruit juices. The problem here is with quantitative import restrictions inconsistent with Japan's GATT obligations.

The United States has shipped over 4 million dollars worth of fresh oranges to Japan despite the quota, but if there were no restrictions, our market penetration potential could exceed $50 million.[31]

As an interim step during the multilateral talks, Japan could be asked to remove its import quota restrictions from April through September and still protect 88% of its domestic production from any additional competition.

4. Livestock production. Meats and products, primarily beef, accounted for more than half of Arizona's billion dollar agricultural industry in 1974.

But the Arizona and American beef industry today is in a condition approaching chaos. It is costing cattle producers in Yavapai County, for example, about 40¢ per pound to produce their product—calves—and they are being forced to sell calves for only a little over 20¢ per pound.[32]

As of January 1, 1975, the value of cattle on farms, ranches, and feedlots had declined by fifty percent in the United States over the one year span from January 1 of 1974![33]

The financial condition of the livestock industry today makes the Meat Import Act of 1964 even more important to cattlemen now than when it was enacted. This law, allowing restrictions on imports, should not be a subject of negotiation at a time when our producers are in serious jeopardy.

Moreover, the Meat Import Act is needed as a reasonable defensive measure to protect United States sales from the impact of foreign non-tariff barriers, such as the total embargo on beef imports in the European Community and Japan. If it were not for the flexible protection offered by the Meat Import Act, the United States would now be flooded with foreign beef in the backlash of these embargoes because of sales which would be diverted to America instead of going to the EC and Japan.

In other words, our negotiators must comprehend there is absolutely no justification for going above the trigger level in the Meat Import Act.

Also, Arizona cattle growers ask for a study of transportation subsidies on exported grain that are available to foreign buyers. These subsidies enable foreign purchasers to outbid United States' buyers and artificially increase domestic prices of feed grains.[34]

Arizona cattlemen understand the importance of agricultural exports, but insist that all buyers play by the same rules—which means they should not have to outbid foreign buyers subsidized by governments.

FOOTNOTES

[1] Public Law 93-618 (Jan. 3, 1975).

[2] *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census, at 9 (Dec. 1974).

[3] *Id.*, at 106.

[4] Unpublished data, Division of Economic Growth, Bureau of Labor Statistics.

[5] *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census, at 30, 77 (Dec. 1974).

[6] Unpublished data, Economic Research Service, USDA.

[7] Based on unpublished data for the Department of Agriculture and Department of Commerce.

[8] During consideration of the Trade Act of 1974 in Congress, the Senate added a separate section to the bill, section 103, which mandates that: "To the maximum extent feasible the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with harmonization, reduction, or elimination of industrial trade barriers and distortions." No such section was contained in the House-passed version of the bill, which had included only a section devoted to sector negotiations. See change from House "sector" provision to Senate "conjunction" provision at 120 Cong. Rec. S20686-87 (Daily ed. Dec. 5, 1974).

It is important that this shift in the policy of Congress before enactment of the Trade Act be carefully noted and implemented faithfully by United States negotiators and by this Commission in carrying out functions under that Act. It should be particularly observed that section 103 of the Trade Act sets forth the "overall" negotiating objective, while section 104, relating to product sectors, sets forth merely one of the "principal" negotiating objectives. Thus, on the face of the law, section 104 must be applied consistently with section 103, which contains the superior, or "overall" policy directive. See also, statements of Senators Dole and Humphrey regarding the meaning of section 103, during Senate debate on agreeing to the Conference Report on the Trade Act of 1974, 120 Cong. Rec. S22512-14 (Daily ed., Dec. 20, 1974).

[9] *Survey of the Origin of Exports of Manufacturing Establishments in 1972*, U.S. Bureau of the Census (No. 1974).

[10] Economic Research Service, USDA; College of Agriculture, U. of A.

[11] *1974 Electronic Market Data Book*, Electronic Industries Assoc., Table 91, at 96.

[12] Arizona Department of Economic Security.

[13] *Mineral Industry Surveys*, U.S. Bureau of the Mines (Feb. 23, 1975).

[14] Arizona Department of Economic Security.

[15] See address by James M. Owens, Director, Materials Division, Office of Business Research and Analysis, Bureau of Domestic Commerce, USDC (Feb. 25, 1975).

[16] *Id.*

[17] Trade estimates, Cotton Council International; and see *Report to the President on Investigation No. 22-37*, U.S. Tariff Commission (March, 1974), at A-92.

[18] *Id.*, at A-88; *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census (Dec. 1974), at 40, 106; and based upon unpublished estimates of the Department of Agriculture.

[19] Arizona Crop and Livestock Reporting Service.

[20] Agricultural Prices, Statistical Reporting Service, USDA.

[21] Citrus Fruits, Statistical Reporting Service, USDA.

[22] *Agricultural Prices, supra*, note. 20.

[23] Agricultural Labor Producers Committee; 1969 Census of Agriculture, Arizona, vol. 1, at 23, 277; *Farm Labor Report LA 1* (Jan. 1975), USDA.

[24] *Hearing on Problems Incurred in Exporting Fresh Citrus Fruits to European Economic Community Countries*, Senate Subcommittee on Agricultural Exports (March 18, 1971), at 109-111; 114-115; 125.

[25] *Id.*, at 127.

[26] See 117 Cong. Rec. 9358-9360.

[27] *United States International Economic Policy on an Interdependent World*, Commission on International Trade and Investment Policy, at 11, 13, 110, 157, 165, 201, 206, 209, 213, 241, 290, 291, 292, 302, 303.

[28] *Id.*, at 157.

[29] Foreign Agricultural Service, USDA.

[30] Unpublished letter from the Honorable Carroll G. Brunthaver, Assistant Secretary, USDA, to Senator Barry Goldwater, Aug. 14, 1972.

[31] Foreign Agricultural Service, USDA.

[32] Unpublished letter from Bill Dumont, President, Yavapai Cattle Growers to Senator Barry Goldwater, Feb. 20, 1975.

[33] Cattle Inventory Analysis, American National Cattlemen's Association.

[34] Unpublished letter from Bill Davis, Executive Vice President, Arizona Cattle Growers Association, to Senator Barry Goldwater, Feb. 26, 1975.

U.S. Senator Barry M. Goldwater, by counsel, J. Terry Emerson.

SEMIANNUAL REPORT BY THE DEPARTMENT OF DEFENSE ON CHEMICAL AND BIOLOGICAL WARFARE ACTIVITIES

Mr. McINTYRE. Mr. President, in keeping with the past practice of the Armed Services Committee to advise the Senate and the public of the activities of the Department of Defense in chemical and biological warfare, CBW, I request unanimous consent to have printed in the RECORD at the conclusion of my remarks the semiannual report on funds obligated for CBW research during the first half of fiscal year 1975.

This report is submitted semiannually pursuant to section 409, Public Law 91-121.

The report also includes explanatory comments on the purposes for which the funds provided have been used.

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

THE SECRETARY OF DEFENSE,
Washington, D.C., February 28, 1975.

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

DEAR MR. PRESIDENT: In accordance with the requirements of Section 409, Public Law 91-121, the semiannual report on funds obligated in the chemical warfare and biological research programs during the first half of fiscal year 1975 is attached.

The report provides actual obligations through 30 November 1974 and estimated obligations for the month of December 1974. The report for the second half of fiscal year 1975 will include an adjustment summary to adjust estimated obligations to actual for the month of December 1974.

The attached report has also been sent to the Speaker of the House of Representatives.

Sincerely,

W. P. CLEMENTS, Jr.

Attachment.

DEPARTMENT OF DEFENSE—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1-DEC. 31, 1974), JAN. 31, 1975

DEPARTMENT OF DEFENSE—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD JULY 1-DEC. 31, 1974—RCS DD-D. R. & E. (SA) 1065 (ACTUAL DOLLARS)

	Army	Navy and Marine Corps	Air Force	Total
Chemical warfare program	$24,661,000	$117,000	$960,000	$25,738,000
R.D.T.E.	(17,680,000)	(112,000)	(960,000)	(18,752,000)
Procurement	(6,981,000)	(5,000)	(0)	(6,986,000)
Biological research program	6,590,000	0	0	6,590,000
R.D.T.E.	(6,590,000)	(0)	(0)	(6,590,000)
Procurement	(0)	(0)	(0)	(0)
Ordnance program	7,850,000	45,000	0	7,895,000
R.D.T.E.	(3,350,000)	(0)	(0)	(3,350,000)
Procurement	(4,500,000)	(45,000)	(0)	(4,545,000)
Total program	39,101,000	162,000	960,000	40,223,000
R.D.T.E.	(27,620,000)	(112,000)	(960,000)	(28,692,000)
Procurement	(11,481,000)	(50,000)	(0)	(11,531,000)

In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council.

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC 31, 1974), RCS DD-D. R. & E. (SA) 1065

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D. R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D. R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year	Current year	In-house	Contract	Explanation of obligation
Chemical Warfare Program	0.085	17.595	16.920	0.760	During the 1st half Fiscal Year 1975, the Department of the Army obligated $17,680,000 for general research investigations, development and test of chemical warfare agents, weapons systems and defensive equipment. Program areas of effort concerned with these obligations were as follows:
					Chemical Research:
					Basic Research in Life Sciences $520,000
					Exploratory Development 4,793,000
					Total Chemical Research 5,313,000
					Lethal Chemical Program:
					Exploratory Development 1,098,000
					Advance Development 293,000
					Engineering Development 2,312,000
					Testing 371,000
					Total Lethal Chemical 4,074,000
					Incapacitating Chemical Program:
					Exploratory Development 266,000
					Advanced Development 000
					Engineering Development 000
					Testing 000
					Total Incapacitating Chemical 266,000
					Defensive Equipment Program:
					Exploratory Development 4,521,000
					Advanced Development 2,154,000
					Engineering Development 1,100,000
					Testing 228,000
					Total Defensive Equipment 8,003,000
					Simulant Test Support 24,000
1. Chemical Research	.000	5.313	5.313	.000	
a. Basic Research in Life Sciences	(.000)	(.520)	(.520)	(.000)	Life Sciences basic research in support of chemical materiel was conducted during the first half of Fiscal Year 1975.
					1. The reaction mechanism of the VX (an organophosphorous compound) binary system was studied along with other single phase liquid binary reactions to better understand what occurs in this process. The behavior of agent droplets and their evaporation rates under various atmospheric conditions were studied so that the performance of both agents and simulants can be improved. The isomerizing effects of ultraviolet light on selected chemical agents was confirmed. Detection systems employing bioluminescent microorganisms have been found to respond to toxic agents primarily by physiological rather than biochemical

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974), RCS DD-D.R. & E. (SA) 1065—Continued

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
					light producing mechanisms. A spectrometric system for monitoring the products of ion-molecule clustering reactions has been assembled, and with a very low threshold sensitivity, permits chemical reaction studies not previously possible. Research will continue on rates and mechanisms of chemical reactions as well as product characterization with all of the binary systems analyzed to date. Measurement of evaporation rates for liquid agent droplets will continue for mixtures where inadequate data is available especially for the comparison of agents and simulants. A systematic study of enzyme induction will continue in order to yield enzymes useful for detection and decontamination systems. Mass spectrometric studies of ionic clustering reaction mechanisms and kinetics will give improved capability for detection of trace atmospheric agent or contaminants. 2. Techniques to develop a test which will measure somatic mutation in humans have been studied. The acetycholine esterase (AChE) on red blood cell membranes is presumed to mutate to a form which is resistant to certain organophosphate inhibitors in view of the precedent for such resistance found in house flies. The binding of ^{3}H-DFP by uninhibited red blood cells is not great enough to localize such tagged cells by autoradiography. Therefore, experiments have been directed at using the activity of the enzyme to assist in its localization. Uninhibited red blood cells hydrolyze ASCh and this activity can be detected by the deposition of $Cu_2Fe(CN)6$. Red blood cells thus stained on a slide can be counted with a microscope. Mutation of the gene for the hemoglobin beta chain to produce hemoglobin S gives the mutant red blood cells. A density and deformability sufficiently different from normal than separation and enumeration may be possible. More than 99% of normal cells will pass throught a membrane filter that will retain sickled cells. 3. In an effort to isolate and characterize the cholinergic receptor protein, lactoperoxidase has been coupled to Sepharose and used for iodination of neurotoxins. This method of iodination appears to give significantly higher specific activities than methods previously used. An acetycholine (ACh) receptor has been solubilized from an electric eel and the iodinated neurotoxins appear to bind to the receptor preparation. The observed binding can be blocked by pretreatment of the preparation with high concentration of unlabeled toxin. Determination of AChE binding is made by chromatography and/or by a millipore filtration technique. These two methods of essay appear to give similar results. 4. Neuropharmacologic studies of refractory AChE agents reveal that poisoning with lipid soluble anticholinesterase causes an abrupt halt in respiration as determined by observation of the electrical activity of the phrenic nerve; therefore, the lethality of these anticholinesterase compounds has been attributed to CNS* depression of respiration. It has been shown experimentally that the phrenic traffic does not cease entirely upon administration of several doses of the same anticholinesterase compounds. Intracisternal injections of anticholinesterase compounds induce the same immediate central respiratory paralysis as is observed upon systemic injection of these compounds. These observations de-emphasize the central respiratory paralysis effects of anticholinesterase poisoning. 5. In investigations of the CNS effects of incapacitating agents, induced analgesia was not produced by injections of a glycolate and scopolamine into periventricular and periaqueductal regions which had been previously identified to be analgesically responsive to morphine. Injections of the glycolate alone into the ventricular area did, however, produce an analgesic reaction with a relative quick onset. Recent efforts were devoted to determining whether a glycolate and scopolamine had effects at more rostral levels such as the thalamus.
b. General Chemical Investigations	(.000)	(4.793)	(4.793)	(.000)	Exploratory development effort: 1. Search for Potential Agents. Routine screening of chemical compounds for toxicity was emphasized along with some special studies on particular compounds and test method development. A new class of bicyclic organophosphorus compounds was found to be extremely toxic but through a different physiological mechanism than that of other known organophosphorus agents. Four additional analytical methods were developed for required chemical analyses of a binary intermediate which is currently under development. Computerized pattern recognition techniques will be employed to analyze screening data and the physical properties of chemicals. 2. Evaluating Effects of Chemicals. The development of new test procedures has validated experiments which define some significant properties of selected glycolates. 3. Medical Effects of Chemical Agents. Evaluation of acute toxicity of binary intermediates for VX has been completed. Work will continue on the evaluation of toxicity and mutagenicity of compounds and will include percutaneous action, skin sensitization, effects on visual systems and behavior. 4. Chemical Dissemination and Dispersion Technology. a. The flashing propensity of potential GB simulants was determined to be greater than that of the agent GB (a standard US nerve agent) itself. A design study will be made to identify parameters controlling retrorocket performance to serve as guidance in determining its potential application to other binary delivery systems. b. New instrumentation obtained to determine aerosol particle size distribution and concentration was installed and calibrated. The chamber facility and techniques have been modified to reflect the latest technological advances in dissemination and aerosol assessment methodology. Efforts will be continued on updating chamber technology and dissemination and aerosol sampling procedures in support of the agent munitions program as required. 5. Test and Assessment Technology. Knowledge gaps were identified in the break-up mechanisms of liquids from non-explosive disseminators, transport and fallout of particles, and transfer of material from contaminated terrain and equipment to personnel. Studies were undertaken to fill the gaps with the development of a three-dimensional particle trajectory model and used to examine the influence of crosswind ventilation in rocket sled tests. An extensive series of chamber tests were conducted with agent GB, binary product GB, and eighteen simulants using a unique explosive projector technique in order to simulate and study the liquid behavior as dispensed by a projectile. Results show that vapor effectiveness of a binary GB projectile could be enhanced if the liquid could be rapidly comminuted by decreasing intermolecular attraction forces A major effort will be to study bulk liquid breakup mechanism by relating the variables of liquid form geometry, relative velocity between liquid and air, flow rate, and physical and rheological properties with the drop size distribution produced. 6. Systems Analysis. a. Remote Sensors: Meteorological data and line of sight data are being collected for specific areas to assist in the development of a model to evaluate the effectiveness of the Long Path Infrared (LOPAIR) detector. b. New Improved Mask: An analysis was begun on the sensitivity of the effectiveness of mask to donning time and a report of results will be published.

*Central Nervous System

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974), RCS DD-D.R. & E. (SA) 1065—Continued

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
					7. Evaluation of Foreign Chemical Warfare Potential. Work on this program has been devoted entirely to analysis of data obtained at Eglin Air Force Base in the rocket sled tests. The rocket sled tests data have been reduced which provides some insight into the nature of liquid breakup. As a result, the free-fall tests were eliminated and will be substituted with other rocket sled tests. Static missile firings were conducted at White Sands to evaluate the radial component of liquid breakup due to explosive detonation. A second series of rocket sled tests will be conducted and the sensitivity of parameter changes will be evaluated. All date and findings obtained on this project through December 1974 will be summarized and a second interim status report prepared. 8. Chemical Training Agents and Equipment Investigations. a. A draft Training Device Requirement (TDR) was received establishing the need for simulated persistent and non-persistent chemical agents for use in training. Laboratory work was initiated. Evaluation of the potential training agent formulations will continue. b. Analysis for the recovery of Dimethyl Morpholino Phosphoramidate (DMP) using Gas Chromatograph flame photometry has been established. Efforts will be made to establish the analytical limit for DMP by Gas Chromatograph flame photometry. c. A number of tests were conducted to demonstrate the concept feasilibity of a design which would satisfy the dissemination characteristics specified in the draft TDR. Further testing and development will be performed to improve dissemination characteristics. 9. Chemical Safety Investigations. The chemistry of reactions involved in a number of demilitarization and conservation procedures have been studied to aid in developing techniques for monitoring the safety of the work area and the environment. Explosion and toxic dissemination chambers have been upgraded to meet new safety requirements. The environmental impact of agent operations is being assessed. Improved methods to quantify and trace pollutants from chemical munition and demilitarization activities will continue with emphasis on hetergeneous exudates. Design and development will be initiated on a remote sampling and assay system for agents and simulants to be used in chamber testing.
2. Lethal Chemical Program	.012	4.062	4.074	.000	
a. Agent Investigations and Weapons Cencepts.	(.000)	(1.098)	(1.098)	(.000)	Exploratory development effort: 1. Some promising binary components for a possible intermediate volatility agent have been prepared, and thermal storage stability studies on the agent have been completed. A number of the agent's chemical analogs have been prepared and their toxicity examined. Under the hazard analysis portion of the vulnerability program, binary components were irradiated with no apparent adverse effect. Evaluation of the influence of particle size on the toxicological effectiveness of a lethal organophosphorous compound through layered cloth assemblies showed that 200 micron drops of the compound are equally as effective as larger millimeter size drops in penetrating the cloth. Efforts will continue to assess binary candidate systems for and highly persistent percutaneous agents, to exploit techniques of existing binary systems, and to develop and improve binary simulant/simulation processes. 2. Effort was continued to optimize the liquid-liquid binary VX system. The stability of the VX and GB binary intermediates was demonstrated. Advancements in the binary simulant/simulation techniques for munition performance evaluation provided a realistic simulation of the physical properties of the binary VX reaction products. 3. An initial design of a binary chemical warhead for the Selected Effects Armament Subsystem (SEAS) was completed, and components were fabricated and proved out in preliminary testing. The feasibility of candidate design concepts will be established. 4. Work is progressing on preparation of larger developmental quantities of a binary intermediate. Waste and by-product disposal techniques are also being developed during the synthesis for use in still larger scale production. Laboratory scale runs will be conducted for the preparation of dimethyl disulfide to gather data concerned with preparation of pilot scale quantities.
b. Agent Pilot Plant Investigations	(−.001)	(.294)	(.293)	(.000)	Advanced development effort: 1. The polysulfide pilot plant was modified to obtain data for process scale-up. A series of runs will be conducted to generate the required data. Studies of waste disposal methods will be initiated. 2. 155mm GB XM687 Binary Projectile: Tests conducted indicate that current methods of inserting helium (tracer gas) in the XM687 Binary canisters does not provide a sufficient quantity for verifying that the canister meets the Technical Data Package (TDP) leak test specification. To overcome the problem a program was initiated to investigate new methods of inserting helium. 3. 8" VX XM736 Binary Projectile: A modular design concept was formulated to provide fill and closure data which will be integrated into a pilot filling line. Filling data was developed during this period. Parameters for the steel canister weldments will also be developed.
c. Tactical Weapons Systems	(−.003)	(2.315)	(2.312)	(.000)	Engineering development effort: 1. Development Test (DT) II effort to establish the suitability of the 155mm XM687 GB projectile for type classification was continued. Design changes to promote ballistic stability have been incorporated into the XM687 and verified. In addition to supporting the DT II effort, supplementary development activities related to storage life and effectiveness were continued, and studies to enhance producibility and minimize XM687 systems costs were pursued. 2. Engineering Development (ED) effort on the XM736 continued. Test hardware and chemicals were produced concurrently with the implementation of Engineering Design Test (EDT) phases. In addition, development efforts were continued to improve munition performance and packaging, to establish storage life, and to estimate effectiveness via the use of simulants. Fabrication of projectiles for the EDT phase on the XM736 will continue and testing will be initiated including physical and environmental effects, in-flight mixing, flight stability and limited simulant dissemination testing.
d. Materiel Tests in Support of Joint Operational Plans and/or Service Requirements.	(.016)	(.000)	(.016)	(.000)	Obligations were incurred in conducting two operations research studies as follows: 1. Study 74-112: In response to a USMC request this study will evaluate the effects of chemical agents and decontaminants on the continued integrity of spray tanks and estimates of hazards associated with recycling or decontaminating the tanks. Data were analyzed and a report was prepared. 2. Study 75-115: In response to U.S. Air Force and CINCPAC requirements, this study is to estimate the operational effectiveness of the MC-1 bomb in a forested temperate environment and to determine vulnerability of hard targets and fortifications. These studies were suspended in accordance with Congressional action deleting funds in FY75

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974–DEC. 31, 1974), RCS DD-D.R. & E. (SA) 1065—Continued

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D.R. & E.(SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
e. Army Materiel Development Tests	(.000)	(.355)	(.355)	(.000)	Obligations were incurred in the testing of binary weapon systems employing simulants. Purpose of the testing was to: (1) Evaluate ballistic stability and accuracy of candidate projectiles; (2) Evaluate the effects of environmental storage and rough handling of projectiles; (3) Determine in-flight mixing characteristics of simulant reaction; and (4) Determine the technical performance such as reliability, safety, suitability for Service tests, dissemination efficiency and area coverage for the XM687 projectile. During this period, eight specific test programs were conducted and/or completed. Major emphasis was on the XM687 155mm DT II Test (engineering phase). Five dissemination trials with simulant were conducted to obtain efficiency and area coverage data. Physical testing in the area of rough handling, safety, transportation, and storage are in progress. Range table and reliability firings are in progress. Ballistic firings and storage effects testing were conducted with various configurations of the XM736. Projectiles with simulant were filed to determine in-flight mixing characteristics. Engineering tests on the XM687 and development tests on the XM736 will continue.
3. Incapacitating Chemical Program	.000	.266	.266	.000	
a. Agent Investigations and Weapons Concepts.	(.000)	(2866)	(.266)	(.000)	Exploratory development effort: 1. Search for safe, quick-acting, physical incapacitants concentrated on preparation and study of new compounds. The requirement for high-strength metals for incapacitating agent submunitions dictated agent stability/materials compatability for the candidate agents. The completed studies show no decrease in agent purity or material compatability. Analytical procedures and concepts for the detection of an aerosolized incapacitant have been completed. A solid state sampling device will be perfected for a known incapacitating agent followed by an effort to expand the devices applicability to other aerosolized chemical agents. 2. Studies were conducted on several polymer based incapacitating agent pyrotechnic formulations. A liquid chromatograph was obtained to evaluate its use in analyzing chamber samples of incapacitating agent. A study was initiated to investigate which standard projectiles and warheads would be potential delivery systems for new incapacitating agents. This study will be extended to include new delivery systems in development. Investigations were continued to evaluate candidate munitions systems. New dissemination techniques will be studied for weaponization potential as they are developed.
4. Defense Equipment Program	.049	7.954	7.243	.760	
a. Physical Protection Investigations	(−.001)	(2.708)	(2.513)	(1.94)	Exploratory development effort: 1. Chemical Agent Alarm Technology. a. Studies on the automatic liquid agent detector (ALAD) were continued and tests were conducted with simulants. Techniques were investigated for reproducible fabrication of detector elements and formulation of the detector coatings. Design studies will be directed toward using ALAD as a complement to M3 and other point sampling alarms. Redesigned units of the ionization detector were fabricated and tests were initiated to determine sensitivity and interferences. Interference studies are being conducted with enzyme alarms. Physical immobilization techniques have shown promising results for retention of enzyme activity. b. Effort was directed toward the applicability of the CO^3 laser approach for detection of chemical agents. Several types of topographic reflectors will be used to evaluate performance. c. Studies were conducted on terrain contamination using the Remote Roman device. Spectra were obtained for simulants. d. Work on the incapacitating plant alarm continued to obtain the required detection concentration range. e. Sampling problems associated with the monitoring for agent presence at storage and plant facilities will be studied and evaluated. Materials for use in preconcentrators will be investigated. Specific attention will be directed toward development of a suitable V-agent facility monitoring system for the detection of possible presence of agent at storage facilities. 2. Chemical Detection and Identification Technology. a. Field Ionization Mass Spectrometry has demonstrated feasibility for monitoring trace atmospheric contaminants. The threshold sensitivities of chemical warfare agent simulants in air are better than 1 mole-prts-per-billion and even this can be improved by a two orders of magnitude. Highly sensitive colorimetrif and fluorometric detection methods for mustard have been developed. Studies will be conducted on ion-molecule clustering reactions for the Mass Spectrometer System, and on fundamental chemistry of certain agents to find direct detection and identification systems. New high volume sampling and concentrating techniques will be devised. b. Detection procedures applicable to agents in water were reviewed and work initiated to be directed to the development of an item to replace the water test lit (AN-M2). Studies on the use of eel cholinesterace in detection devices were conducted to obtain a satisfactory chromogenic substrate. The eel cholinesterace system will be evaluated for interferences, agent sensitivity and stability. 3. Chemical Decontamination Investigations. a. The mechanism and kinetics for the chemical reactions between certain agents and decontaminants have been determined in order to optimize the process. Decontamination by catalyzing the oxidation of agents and agent simulants can be accomplished with photosensitizing dyes in the presence of sunlight. Studies will be conducted to find catalysts which, with oxygen or moisture of the air, will cause decontamination by oxidation of chemical agents. Sprays or coatings using water or air as the major component will significantly reduce the logistics of field decontamination. b. Evaluation of agent resistant paint indicates that it retains most of its resistance properties after extended exposure to outdoor weather conditions. Tactical equipment will be pattern painted for camouflage purposes. Urethane coating was compared with an alkyd paint and was found to require less decontamination, was easier to decontaminate, and was applied in the same manner as the alkyd paint. Work continued on the supplemental coating which is to be used to cover surfaces not urethane coated and thus prevent agent from sorbing into agent permeable materials. A composition of polyvinyl alcohol solution was found which was easy to prepare and which gave good protection after application without excess shine to the dried film. c. Work was initiated on materials and methods of application to upgrade the skin decontamination capability. Investigations will be initiated into the feasibility of using microemulsions to decontaminate agent-impervious surfaces and skin. 4. Physical Protection Against Chemical Agents. a. Studies of dynamic gas absorption showed further progress toward the goal of developing a fully predictive adsorption equation capable of predicting the protection of activated carbon filters against various toxic vapors. The complex dependence of the adsorption rate constant on the velocity and temperature of the gas-air stream was determined experimentally. The mechanisms and kinetics of acrosol filtration by fibrous filter mats will be studied.

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974), RCS DD-D.R. & E. (SA) 1065—Continued

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
					b. Technicon Auto Analyzer, used for chemical analysis of phosphorous, has been satisfactorily interfaced with the HP9810A programmable calculator to provide automatic analysis of colorimetric samples. The improved chemical agent simulant test technique for evaluation of collective protection shelter systems was used successfully to test the US Air Force's Chemical-Biological Modification Kit. Feasibility studies will be conducted on simplified collective protection for Army functional field shelters. Studies indicate that pore size spectrum and surface chemical groups on the base charcoal may be controlling parameters in the performance of specifically treated charcoal. Open storage aging of charcoal will continue. c. A combination of modified starting materials, diluted impregnating solutions and vacuum impregnation techniques have produced improved laboratory preparation of whetlerite. Significant advances have been made in reducing agent penetration of new materials of construction. Studies have been conducted concerning the lens fogging difficulties encountered with the new protective mask facepiece design. Studies have continued to determine regions of predominant respiratory stress. Additionally, efforts have progressed to develop a mathematical model for analyzing the impact on work performance while wearing a mask. A study will be conducted to determine the high exhalation resistance on the work performance of the mask wearer. d. Testing of charcoals to provide a sorbent or reactant for use in a one layer protective garment was performed. Several modifications of charcoal were produced which gave increased resistance to sweat degradation. Testing of materials will be refined to provide good reproducibility of results. The mechanism of thermal decomposition in the M13 kit was determined. A test method will be developed and evaluated for determining when an M13 kit is no longer serviceable. The possibility of using impermeable capes or covers to protect personnel against large liquid droplets will be investigated.
b. Advanced Development of Defensive Systems.	(.000)	(2.154)	(1.688)	(.466)	Advanced development effort: 1. Remote Sensing Alarm Dust tests were conducted at several locations to evaluate the compensation effectiveness of the use of multiple channels and coefficients. Initial results are promising and the data are being evaluated. A contract was negotiated for the design and fabrication of a number of advanced development (AD) prototypes. The first phase of the contract will include a thorough design analysis of system approaches and components. A selection will then be made of the best approach and fabrication of prototype items will begin. A cost analysis is being performed for modification of the Navy's Forward Looking Infra-Red (FLIR) to perform chemical agent detection. Comparison of FLIR and LOPAIR will be included in toe cost analysis. 2. New Protective Mask AD of the new protective mask was initiated. Results of exploratory development efforts were reviewed. Prototype designs show sufficient promise to meet the Required Operational Capability (ROC) requirements to warrant their continued development in the AD phase. A wearing test using an infantry scenario has been conducted on two designs. Results of this test are very encouraging. A meeting with Army, Navy, and Air Force representatives was conducted. The Army approved ROC has been accepted as the basic document for the development of a multi-service mask. Emphasis will be to quantify the operational characteristics of the ROC and to specify test procedures and performance criteria. The requirement for use of one basic mask with models for the task, aircrew and field applications will be addressed. Design efforts will be directed toward improving speech and communication capabilities, reducing weight and bulk, facilitating a resuscitation system, simplifying water drinking, and providing for rapid and reliable donning of the mask.
c. Collective Protection Systems	(.000)	(.273)	(.173)	(.100)	Engineering development effort: Modular Collective Protection Equipment: DT II tests were initiated on modular collective protection equipment (MCPE) hardware. Compatibility tests of MCPE servicing TACFIRE shelters were conducted. Hardware fixes and TDP upgrading will be provided in response to any problems revealed during testing.
d. Warning and Detection Equipment	(.000)	(.827)	(.827)	(.000)	Engineering development effort: 1. Chemical Agent Detector Kit, XM256 Studies were conducted on the sampler configuarations, and the design characteristic technical review was held. Continued evaluations were made on the mustard test to eliminate the false positive tests obtained with the blank. A selection was made of an instrument to be used as inspection acceptance equipment. A human factors test was conducted which determined the minimum color threshold that a soldier could reliably see on the H test. The technical data package will be updated to reflect the final design. Preliminary engineering development (ED) hardware will be fabricated and formal EDT initiated. 2. Paper, Chemical Agent Detector, XM9 The Validation In Process Review (IPR) was held and the ED program was initiated. Tests were conducted at Dugway Proving Ground using simulants to obtain data on the relation between ground and manikin contamination as a function of particle size and contamination density. Long term aggravated storage testing is continuing. Engineering design studies will be initiated and detectors will be produced to prove out the preliminary TDP.
e. Medcal Defense Against Chemical Agents.	(.000)	(1.814)	(1.814)	(.000)	Exploratory development effort: 1. New immunogens are being screened for effect against refractory AChE agents. Receptor sites for luteinizing hormone in the pituitary and adrenal glands have been identified. 2. A search for carbamate compounds more effective than MOBAM (a new antidote) and pyridostigmine for prophylaxis against refractory anticholinesterase is underway. Physiological and clinical studies in the use of oximes and synergistic drugs for treatment of anti-ChE poisoning is continuing. New vaccines will be made and tested. New drugs and drug combinations for prophylaxis and treatment of chemical poisons will be tested.
f. Materiel Tests in Support of Joint Operational Plans and/or Service Requirements.	(.050)	(.000)	(.050)	(.000)	Tests were conducted on the U.S. Air Force chemical detector AN/GAQ-1. These tests were designed to evaluate the detection capabilities of AN/GAQ-1, Alarm Set, Nerve Agent System under realistic employment situations. During this period, 37 chamber trials were conducted to obtain agent/simulant correlation and calibration response; 27 trials were conducted to evaluate alarm response to interferenced substances; and 32 trials were conducted to determine alarm response. Testing was completed, data analyzed, and draft final report prepared and coordination was initiated.
g. Army Materiel Development Tests	(.000)	(.178)	(.178)	(.000)	Tests were conducted on the U.S. Army's defensive equipment and materiel, and on long term environmental storage and surveillance. Test efforts were as follows: 1. 200 CFM MCPE: This test is designed to perform a DT II Test (engineering and service phase) and to determine the capability of the MCPE to meet system specification requirements. During this report period, test plan modifications were made, staffed and published. Training and receipt inspection of the MCPE was completed. Tests were initiated and are scheduled for completion during 1st quarter FY76.

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SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974 RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
					2. MCPE for TACFIRE: This test was designed to determine the interface hardware system, compatibility and the overall capability of the MCPE as applied to TACFIRE to meet the protection requirements of system specifications. During this period, testing was initiated and completed. Final report was published. 3. CB Protective Clothing for Explosive Ordnance Disposal Personnel: This test is designed to determine if the suit meets the approved small development requirements. During this report period, a report was submitted to TECOM for approval. Initial planning for conduct of high temperature wearing trials at Natick Laboratories was initiated. Test completion is scheduled for 3d quarter FY75. 4. Shelter Systems, Collective Protection, CB, M51: This test is designed to determine adequacy and reliability of the production item as a result of corrective action and design changes made as a result of DT II. During this report period, testing in the area of safety, initial performance, rain operations, storage, resistance to fungii, shock and vibration, chemical/biological (CB) challenges and purge characteristics were in progress. Test completion is scheduled 3d quarter FY75. 5. M10 Collective Protection Equipment (CPE) for HAWK: This test is designed to verify the adequacy and quality of the M10 CPE production time. During this report period, testing in the area of safety, shock and vibration, CB challenges and purge characteristics, initial performance, environmental conditions, and reliability was in progress. Test completion is scheduled for 3d quarter FY75. 6. Environmental Surveillance: The long term environmental storage and surveillance program had a total of four items undergoing some phase of testing at one or more of the test sites. Items consisted of masks, chemical detector unit, and chemical alarm unit. 7. Liquid Agent Detector (LAD): This test is designed to determine the optimum location(s) for wearing a LAD device when subjected to various particle sizes of simulant materials and to determine if relationships exist between visual/chemical analysis. During this period, testing with simulants was initiated and completed. 8. Decontamination Vehicle TMS-65: This test is designed to determine the feasibility of decontaminating military equipment using the principles adapted in the decontamination vehicle. During this report period, the test plan was prepared, coordinated, and published. Testing is to be initiated during 3d quarter FY75 and is scheduled for completion during 1st quarter FY76.
5. Simulant Test Support	.024	.000	.024	.000	Five joint operational tests were conducted as follows:
a. Materiel Tests in Support of Joint Operational Plans and/or Service Requirements.	(.024)	(.000)	(.024)	(.000)	1. Test 70-11, Phase I: This test, consisting of four subtests, is in response to Army, Navy, and Air Force requirements and is concerned with evaluation of delivery and assessment techniques for simulant spray system. 2. Test 70-11, Phase II: This test is a research effort with the aim of duplicating the contamination pattern of a liquid agent attack with the use of simulants and correlating simulant/ agent data to permit hazard and vulnerability analyses. 3. Test 74-010, Phase I: The U.S. Marine Corps requested a test to evaluate the effectiveness of LVTP-7 landing vehicle when subjected to a simulated massive chemical attack. Testing has been completed. Final publication of the report is being delayed pending receipt of simulant/agent correlation data from test 70-11, Phase II. 4. Test 74-010, Phase II: This test, in response to a U.S. Marine Corps requirement, involves a Marine Wing Weapons Unit performing mission tasks with a nuclear trainer in a simulated toxic environment. The test is designed to evaluate mission performance degra dation caused by a massive chemical attack. During this period, the data was analyzed and a draft final report was prepared and forwarded for review. 5. Test 74-010, Phase III: This test will involve a Marine nuclear ordnance platoon performing mission tasks in a simulated toxic environment and is designed to evaluate mission performance degradation following a massiv e chemical attack. During this report period, the test plan was in preparation and coordination meeting with the U.S. Marine Corps was in progress. These tests were suspended in accordance with Congressional action deleting funds in FY75

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
Chemical Warfare Program	4.038	2.943	2.968	4.013	During the first half of fiscal year 1975, the Department of the Amry obligated $6,981,000 for procurement activities associated with chemical warfare agents, weapons systems, defensive equipment, and production base projects. Program areas of effort concerned with these obligations were as follows: Lethal Chemical Program: Materiel Procurement ..... −$3,000 Production Base Projects ..... 491,000 Total Lethal Chemical ..... 488,000 Incapacitating Chemical Program: Material Procurement ..... 0 Production Base Projects ..... 0 Total Incapacitating Chemical ..... 0 Defensive Equipment Program: Material Procurement ..... 5,684,000 Production Base Projects ..... 809,000 Total Defensive Equipment 6,493,000
1. Lethal Chemical Program	−.003	.491	.488	.000	
a. Item Procurements: Honest John Warhead.	(−.003)	(.000)	(−.003)	(.000)	Deobligation and close-out of a prior year (FY 64) in-house engineering support order.
b. Production Base Projects: Chemical Agent and Munition Disposal System.	(.000)	(.491)	(.491)	(.000)	Obligations incurred for final equipment design of a multipurpose transportable disposal system for use in detoxifying and/or disposing of obsolete/unserviceable chemical munitions and toxic agents. Ultimate system will consist of a series of modules which can be transported to sites containing obsolete/unserviceable toxic agents/munitions, assembled and operated to detoxify and dispose of material.

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SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E (SA) 1065—Continued

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS D—D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
2. Incapacitating Chemical Program	.000	.000	.000	.000	
a. Item Procurements	(.000)	(.000)	(.000)	(.000)	No obligations were incurred for procurement of incapacitating chemical items.
b. Production Base Projects	(.000)	(.000)	(.000)	(.000)	No obligations were incurred for production base projects in support of incapacitating chemical programs.
3. Defensive Equipment Program	4.041	2.452	2.480	4.013	
a. Item Procurements:					
(1) Alarm, M8-18	(.052)	(.000)	(.016)	(.036)	Obligations incurred for an engineering change order (.036) related to an on-going contract and for manufacture of a Leakage Tester (.016) for use with the M8 Chemical Agent Alarm.
(2) Shelter System, M51	(3.977)	(1.643)	(1.643)	(3.977)	Obligations incurred for procurement and in-house engineering support for transportable collective protection equipment system used to provide protection from toxic CB agents in the field.
(3) Decontaminating Apparatus, M12	(.012)	(.000)	(.012)	(.000)	Obligations incurred for in-house quality assurance support of an on-going contract for M12 Decontaminating Apparatus.
b. Production Base Projects:					
(1) Initial Production Facility for Detector Kits.	(.000)	(.250)	(.250)	(.000)	Obligations incurred to provide production facilities for the M15 and M18 Chemical Agent Detector Kits.
(2) Evaluation of Exhaust Filter Systems.	(.000)	(.224)	(.224)	(.000)	Obligations incurred to conduct an evaluation of facility type filters for pollution control of air exhaust.
(3) Inspection Aids for Defensive and Protective Items.	(.000)	(.335)	(.335)	(.000)	Obligations incurred for purchase of inspection aids used in manufacture of defensive items, such as M25A1 Tank Masks, M17A1 Protective Masks, Filter Units, and M24 Aircraft Masks.

SECTION 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974 REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
Biological Research Program	0.052	6.538	4.938	1.652	During the first half Fiscal Year 1975, the Department of the Army obligated $6,590,000 for general biological research investigations and the development and test of physical and medical defensive systems. Program areas of effort were as follows: Biological Research: Basic Research in Life Sciences ..... $260,000 Exploratory Development ..... 97,000 Total Biological Research ..... 357,000 Defensive Systems: Exploratory Development ..... 5,338,000 Advanced Development ..... 812,000 Engineering Development ..... Testing ..... 73,000 Total Defensive Systems ..... 6,223,000 Simulant Test Support 10,000
1. Biological Research	.000	.260	.260	.000	
a. Basic Research in Life Sciences	(.000)	(.260)	(.260)	(.000)	Life sciences basic research in support of biological defense materiel: Theoretical analysis of the potential of laser techniques for biological detection resulted in a favorable appraisal of the feasibility of remote laser detection of biological agent clouds. A critical review of experimental work on the application of laser ultraviolet radiation for the detection of aerosolized microorganisms will be completed with identification of knowledge gaps requiring further study. Mass spectrometry analysis was shown possible as an approach for detecting small numbers of microorganisms. The analysis will be extended into studies on adapting the mass spectrometry technique to the analysis of microorganisms in samples collected from the air. Conditions affecting chemical decontamination of aerosolized microorganisms will be studied. Biological aerosol investigations were initiated to obtain basic information on factors affecting the decontamination of biological agents in the airborne state.
2. Defensive Equipment Program	.042	6.278	4.668	1.652	
a. Physical Defense Against Biological Agents.	(.000)	(.714)	(.623)	(.091)	Exploratory development effort: 1. Projected standardization of paraformaldehyde as a biological decontaminant has been reevaluated subsequent to recent published medical information. The hazards associated with utilizing paraformaldehyde as a biological decontaminant are being assessed. Efforts will also focus on a search for an improved or safer alternate decontaminant. 2. Screening of new candidates for decontaminants is contnuing. The chamber for evaluation of lactic acid as an aerosol decontaminant has been characterized. Experimental evidence obtained to date indicates that lactic acid reduces the viability of a non-pathogen aerosol in an enclosed chamber in less than two minutes. A parametric analysis of the use of aerosol decontamination will be performed. 3. Investigations of the chemiluminescent reaction are in process and have centered on the specificity of the reactions observed with various atmospheric materials when the sequence of combination of the reagents is altered. Apparatus for obtaining reaction rate information with the chemiluminescent reaction has been designed and fabricated. An investigation of the optimum properties of luminol is in process with the goal of standardizing the specifications of the chemical to insure uniform properties when full scale procurement is initiated. Improved aerosol generating techniques have been developed so that the test and assessment of biological detectors and samplers can be performed under more closely controlled and identified conditions. Evaluation of the prototype pattern acquisition correlation technique (PACT) has continued with emphasis placed on the use of interferometric optical techniques and pattern recognition logic. Liaison has been maintained with the Environmental Protection Agency (EPA) on the status of this effort. The potential of this atmosphere monitoring technique for pollution studies is the factor of interest to that agency. 4. Exploratory development of an area alarm using a UV laser approach has been studied. Evaluation of the results of this study indicates potential feasibility. Work is continuing for tagging of a tetravalent antisera with coordinated iron using catalase or myoglobin. This product will be assessed in the chemiluminescent device as a potential means of achieving group specificity. The knowledge on the interaction of ambient background content is being expanded through continued study of particle size distribution, the nature of the particulates, and interaction with detection techniques.
b. Biological Defense Materiel Concepts	(−.002)	(.814)	(.751)	(.061)	Advanced development effort: 1. Reliability test of the XM19 Biological Alarm equipped with the improved solution pump assembly were completed. An array of tests were successfully completed. A modified design of the XM2 Biological Sampler was evaluated and found to perform satisfactorily. Other design improvements are being incorporated into another test unit to attempt to further reduce the reagent demands of the XM2. AD will be completed and ED will be initiated during the second half FY75.

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SECTION 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT; DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065—Continued

Description of procurement effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
					2. Examination of various models of deployment to insure maximum effectiveness when used to defend division and corps sized elements continues. The test data obtained in the October array tests are being evaluated and the results should assist in further developing the systems concept. Extensive systems work has been directed toward preparation for follow-on ED of the XM19 Alarm and XM2 Sampler.
c. Medical Defense Against Biological Agents.	(.000)	(4.624)	(3.124)	(1.500)	Program areas of effort concerned with these obligations were as follows: The experimental program is targeted toward: (a) infectious illnesses which pose special problems to our military forces; (b) medical defense against biological warfare; and (c) the safe study of infectious, highly dangerous microorganisms in the unique and special containment facilities of the Institute. A variety of experimental approaches is used to solve these problems as illustrated by: (a) infectious disease models are developed in laboratory animals and the resulting information is extrapolated and applied to man; (b) the defense mechanisms of the body are studied and stimulated in an effort either to prevent an infectious disease or to reduce its harmful effects among military personnel; (c) rapid accurate laboratory methods are developed for identifying causative microorganisms before, or soon after, illness begins thus permitting therapy to be instituted early in the disease process (d) techniques are developed to measure subtle changes that occur at the molecular level in cells of the infected host. An understanding of these mechanisms is basic to establishing effective measures to combat disease. Efforts will continue during FY 1976 to exploit the information obtained previously. All aspects of the program will continue to emphasize infectious illnesses of military importance. None of these or future studies is directed toward offensive biological research and development.
d. Foreign Biological Threat	.044	.053	.097	.000	Operations research studies were conducted to evaluate and assess the biological threat to the United States and to U.S. military forces throughout the world. During this report period, three studies were in progress as follows: 1. Study one: Target Vulnerability Assessment: This study will assess the vulnerability of U.S. military forces to a biological attack for selected environmental areas. During this report period, pertinent vulnerabilty parameters were defined. Applicable terrain, vegetative, meteorological, and climatic data were selected for analyses. Study will be completed 1st quarter FY76. 2. Study two: Effectiveness of Interim and/or Improvised Defensive Measures: This study will investigate the effectiveness of various defensive measures that could best be employed by the United States against a BW attack in the absence of an adequate detector system. During this report period, an examination of detector/warning methods was made. Draft final study was prepared and coordinated with other agencies. Study will be published and will provide essential information on the effectiveness of the current United States defensive posture against biological attack in lieu of an adequate warning system. 3. Study three: Response Protocol: This study will assess the current defensive posture of U.S. forces in terms of current policies, doctrine, training, capabilities, and equipment availability. The study will develop recommendations for a more realistic and effective defensive posture in terms of the level of threat, and the priorities of availability of manpower and resources. During this report period, a study outline was formulated, a literature survey and coordination initiated. Study is scheduled for completion in FY76.
e. Army Materiel Development Tests	(.000)	(.073)	(.073)	(.000)	AD tests of the biological detector systems were conducted. During this period, 40 chamber trials were conducted to evaluate the technical performance of the prototype PACT unit. Tests were conducted to determine uniformity of response. All data have been forwarded to the developer. A final report was published on the limited physical-environmental testing.
3. Simulant Test Support	.010	.000	.010	.000	
a. Materiel Tests in Support of Joint Operational Plans and/or Service Requirements.	(.010)	(.000)	(.010)	(.000)	Two Joint Operational Tests were conducted. These efforts are in consonance with the current national policy for CB Tests and Studies. These tests were: 1. Test 70-74, Phase III: This test was designed to evaluate the relationship between biological decay rate data. During this report period, comments to the draft final report were incorporated. Final report was coordinated. 2. Test 70-74, Phase IV: This effort is designed to determine if data accumulated in phase III can be used to obtain aerosol decay rate effects from polluted urban environments. Prior to trials in an urban environment, background data will be obtained from relatively pollutant free environments. Data is essential for use in biological vulnerability studies of the United States. During this period, testing was completed on the initial urban environment safari. Tests were suspended in accordance with Congressional action deleting funding for FY75.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
Biological Research Program	0.000	0.000	0.000	0.000	During the first half fiscal year 1975, the Department of the Army obligated $0 for procurement activities associated with biological defensive equipment and production base projects.

SECTION 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
Ordnance program	0.112	3.238	3.280	0.070	During the first half Fiscal Year 1975 the Department of the Army obligated $3,350,000 for general research, investigations, development and test of smoke, flame, incendiary, herbicide, riot control agents and weapons systems, and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke, Flame, and Incendiary Program $894,000; Herbicide Program 229,000; Riot Control Program 1,571,000; Other Support Equipment Program 520,000; Test Support 136,000

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974), DD-D.R. & E. (SA) 1065—Continued

SECTION 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE ARMY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current year	In-house	Contract	
Ordnance program	1.349	3.151	3,558	0.942	During the first half of fiscal year 1975, the Department of the Army obligated $4,500,000 for procurement activities associated with smoke, flame, incendiary, herbicide, riot control agents, weapons systems and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke, Flame and Incendiary Program ..... $1,286,000 Herbicide Program ..... 0 Riot Control Program ..... 841,000 Other Support Equipment 2,373,000

SECTION 4.—OBLIGATION REPORT ON CHEMICAL WARFARE, BIOLOGICAL RESEARCH, AND ORDNANCE PROGRAMS—ADJUSTMENT SUMMARY TO REPORT FOR THE SEMIANNUAL PERIOD JAN. 1, 1974, THROUGH JUNE 30, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065

SECTION 4—ADJUSTMENT SUMMARY

Adjustments result from basing the report for Jan. 1, 1974, through June 30, 1974, on actual obligations through Apr. 30, 1974, and estimated obligations for May and June 1974.

RCS DD-D.R. & E. (SA) 1065—ADJUSTED SUMMARY TO JAN. 1-JUNE 30, 1974 REPORT

SECTION 1—CHEMICAL WARFARE PROGRAM

Page	Description	From—				To—			
		Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year
	Under Explanation of Obligations, change figures as follows:								
1	First line, "Department of the Army, obligated . . ."		$4,465,000				$4,398,000		
	Chemical Research:								
	Exploratory Development		−166,000				−131,000		
	Total Chemical Research		−246,000				−211,000		
	Lethal Chemical Program:								
	Advanced Development		350,000				344,000		
	Engineering Development		1,125,000				1,147,000		
	Testing		2,608,000				2,543,000		
	Total Lethal Chemical		4,098,000				4,049,000		
	Incapacitating Chemical Program:								
	Advanced Development		−364,000				−359,000		
	Total Incapacitating Chemical		−199,000				−194,000		
	Defensive Equipment Program:								
	Exploratory Development		210,000				212,000		
	Engineering Development		−392,000				−433,000		
	Testing		343,000				324,000		
	Total Defensive Equipment		118,000				60,000		
	Under Funds Obligated, change figures as follows:								
1	Chemical Warfare Program	−.005	4.470	4.803	−.365	−.032	4.430	5.130	−.732
2	1. Chemical Research	.000	−.246	−.171	−.075	−.005	−.206	−.136	−.075
4	b. General Chemical Investigations	(.000)	(−.166)	(−.171)	(.005)	(−.005)	(−.126)	(−.136)	(.005)
10	2. Lethal Chemical Program	.015	4.083	4.106	−.008	.031	4.018	4.038	.011
12	c. (1) Advanced Development	(.000)	(.350)	(.406)	(−.056)	(−.006)	(.350)	(.401)	(−.057)
12	(2) Engineering Development	(.000)	(1.125)	(1.092)	(.033)	(.022)	(1.125)	(1.094)	(.053)
	d. Materiel Tests	(.000)	(.282)	(.282)	(.000)	(.000)	(.217)	(.217)	(.000)
14	3. Incapacitating Chemical Program	.000	−.199	.156	−.355	.000	−.194	.161	−.355
14	b. Agent Pilot Plant Investigation	(.000)	(−.075)	(−.075)	(.000)	(.000)	(−.070)	(−.070)	(.000)
16	4. Defense Equipment Program	−.020	.138	.045	.073	−.058	.118	.373	−.313
16	a. Physical Protection Investigations	(.000)	(.140)	(−.197)	(.337)	(.003)	(.139)	(−.064)	(.206)
21	b. Advanced Development of Defensive Systems	(−.000)	(−.035)	(.033)	(−.076)	(−.008)	(−.035)	(.150)	(−.193)
22	c. Collective Protection Systems	(−.012)	(−.350)	(−.046)	(−.316)	(−.048)	(−.350)	(−.066)	(−.332)
22	d. Warning and Detection Equipment	(.000)	(−.030)	(-.030)	(.000)	(−.005)	(−.030)	(−.009)	(−.026)
22	e. Medical Defense Against Chemical Agents	(.000)	(.070)	(−.058)	(.128)	(.000)	(.070)	(.038)	(.032)
24	g. Tests in Support of Joint Operations	(.000)	(.056)	(.056)	(.000)	(.000)	(.037)	(.037)	(.000)
	Under Explanation of Obligation, change figures as follows:								
27	First line, "Department of the Army obligated . . ."		10,129,000				6,415,000		
	Defensive Equipment Program:								
	Materiel Procurement		7,101,000				3,387,000		
	Total Defensive Equipment		7,101,000				3,387,000		
	Under Funds Obligated, change figures as follows:								
27	Chemical Warfare Program	.595	9.534	4.917	5.212	.595	5.820	4.917	1.498
29	3. Defensive Equipment Program	.708	6.393	1.889	5.212	.708	2.679	1.889	1.498
	(5) Shelter System, M51	(.087)	(4.149)	(.441)	(3.795)	(.087)	(.435)	(.441)	(.081)

SECTION 2—BIOLOGICAL RESEARCH PROGRAM

Page	Description	From—				To—			
		Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year
	Under Explanation of Obligations change, figures as follows:								
1	First line, "Department of the Army obligated . . ."		$4,753,000				$4,595,000		
	Biological Research:								
	Exploratory Development		67,000				45,000		
	Total Biological Research		147,000				125,000		
	Defensive Systems:								
	Testing		674,000				538,000		
	Total Defense Systems		4,187,000				4,051,000		
	Under Funds Obligated, change figures as follows:								
1	Biological Research Program	−.050	4.803	4.067	.686	−.050	4.645	3.880	.715
2	1. Biological Research	.000	.147	.068	.079	.000	.125	.044	.081
2	a. Basic Research in Life Sciences	(.000)	(.080)	(.001)	(.079)	(.000)	(.080)	(−.001)	(.081)
2	b. General Biological Investigations	(.000)	(.067)	(.067)	(.000)	(.000)	(.045)	(.045)	(.000)
3	2. Defensive Equipment Program	−.050	4.237	3.580	.607	−.050	4.101	3.417	.634
3	a. Physical Defense Against Biological Agents	(.000)	(−.030)	(.000)	−.030)	(.000)	(−.030)	(−.027)	(−.003)
3	d. Army Materiel Suitability	(.000)	(.674)	(.674)	(.000)	(.000)	(.538)	(.538)	(.000)

DEPARTMENT OF THE ARMY—SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974), DD-D.R. & E. (SA) 1065—Continued

SECTION 4.—OBLIGATION REPORT ON CHEMICAL WARFARE, BIOLOGICAL RESEARCH, AND ORDNANCE PROGRAMS—ADJUSTMENT SUMMARY TO REPORT FOR THE SEMIANNUAL PERIOD JAN. 1, 1974, THROUGH JUNE 30, 1974—DEPARTMENT OF THE ARMY—RCS DD-D.R. & E. (SA) 1065—Continued

SECTION 4—ADJUSTMENT SUMMARY—Continued

RCS DD-D.R. & E. (SA) 1065—ADJUSTED SUMMARY TO JAN. 1-JUNE 30, 1974 REPORT—Continued

SECTION 3—ORDNANCE PROGRAM

Page	Description	From— Prior year	From— Current year	From— Prior year	From— Current year	To— Prior year	To— Current year	To— Prior year	To— Current year
	Under Explanation of Obligations, change figures as follows:								
1	Line 1, "Department of the Army obligated . . ."		$2,265,000				$2,282,000		
	Smoke, Flame, and Incendiary Program		17,000				39,000		
	Herbicide Program		99,000				94,000		
	Under Funds Obligated, change figures as follows:								
1	Ordnance Program	—.013	2.278	1.589	.676	—.013	2.295	1.621	.661

OBLIGATION REPORT ON CHEMICAL WARFARE—BIOLOGICAL RESEARCH PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—DEPARTMENT OF THE NAVY—RCS DD-D.R. & E. (SA) 1065

SECTION 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—DEPARTMENT OF THE NAVY—RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE NAVY—DATE OF REPORT: DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year	Current year	In-house	Contract	Explanation of obligation
Chemical Warfare Program	0	0.112	0.112	0	During the 1st half Fiscal Year 1975, the Department of the Navy obligated $112,000 for research and development efforts related to detection systems, a personnel protective mask and shipboard protection systems.
1. Defensive Equipment Program	0	.112	.112	0	
a. Protective Clothing	0	.005	.005	0	Development of a new personnel protective mask.
b. Detection Systems	0	.107	.107	0	Defense requirements analyses, development of automated chemical/biological detection systems and a study to determine the cost of providing shipboard protection for new type ships.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE NAVY—DATE OF REPORT DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (in millions of dollars) Prior year	Current year	In-house	Contract	Explanation of obligation
Chemical Warfare Program	0	0.005	0.005	0	During the 1st half Fiscal Year 1975, the Department of the Navy obligated $5,000 for procurement of chemical warfare protective clothing.
1. Defensive Equipment Program	0	.005	.005	0	

SECTION 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 35, 1974—DEPARTMENT OF THE NAVY—RCS: DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974 THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE NAVY—DATE OF REPORT: DEC. 31, 1974—RCS: DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (millions of dollars) Prior year	Current year	In-house	Contract	Explanation of obligation
Ordnance Program	0.045	0	0.045	0	During the 1st half Fiscal Year 1975 the Department of the Navy obligated $45,000 for procurement of MK 343 fuzes and related testing efforts.
1. Firebomb	.045	0	.045	0	

DEPARTMENT OF THE AIR FORCE SEMIANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (JULY 1, 1974-DEC. 31, 1974)—RCS: DD-D.R. & E. (SA) 1065—DEC. 31, 1974

SECTION 1.—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—RCS DD-D.R. & E. (SA) 1065—DEPARTMENT OF THE AIR FORCE—DEC. 31, 1974

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE SEMIANNUAL PERIOD JULY 1, 1974, THROUGH DEC. 31, 1974—REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE—RCS DD-D.R. & E. 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year	Current year	In-house	Contract	Explanation of obligation
Defensive Equipment Program:					
Exploratory Development	0	0	0	0	
Engineering Development	500.0	460.0	499.0	461.0	Development and testing of agent detection devices and further development of Modification Kits for structures.
Total Defensive	500.0	460.0	499.0	461.0	
Total R.D.T. & E. Obligations	500.0	460.0	499.0	461.0	

SECTION 2.—BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS—DEPARTMENT OF THE AIR FORCE, DEC. 31, 1974—NEGATIVE

No obligations reported.

SECTION 3.—R.D.T. & E. AND PROCUREMENT OBLIGATIONS FOR FLAME, SMOKE, INCENDIARY, RIOT CONTROL, AND HERBICIDE AGENT/MUNITION SYSTEMS—DEPARTMENT OF THE AIR FORCE, DEC. 31, 1974—NEGATIVE

No obligations reported.

SOCIAL SECURITY PETITION

Mr. McINTYRE. Mr. President, I recently received a petition signed by over 2,000 workers from the Greater Manchester, N.H., area. Mrs. Theresa Wajda of Auburn, N.H., on behalf of the "Dissatisfied Workers of America" organized this petition effort, and delivered the petition to my office with Mr. Pauline Gregoire.

Mrs. Wajda indicated the group was formed as a result of recent news stories outlining some of the recommendations of the Social Security Advisory Council. There were two suggestions which generated the most concern. The first, that the retirement age be raised from 65 to 68.

Mr. President, as this petition points out, there are few in this country who work so hard as the men and women who run America's mills and factories. I do not support the suggestion that they work another 3 years before they can benefit from the social security system. Although this suggestion is not a recommendation from the Council, but is only raised as an area of consideration, I must say that it does not have my support.

The second concern relates to financing of the social security system. Currently all persons pay a 5.85-percent tax on the first $14,100 of their income. This method of financing has been attacked as regressive and inequitable since the wealthy who earn much more than $14,100 pay a smaller percentage of their total income than those who earn less. Changes have been enacted and are being proposed which would make this burden a fairer one.

Mr. President, before I make a final determination as to which way we should go on the financing question, I will want to carefully study all the proposals. However, there is one thing of which I am sure: at a time when recession and inflation are hitting low- and middle-income families the hardest, I will not support any plan which places an unfair extra burden on that part of the population.

Mr. President, I ask that the text of the petition be printed in the RECORD so that all my colleagues will be aware of these concerns.

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

JANUARY 17, 1975.

We the undersigned dissatisfied so called "middle and upper class workers" by government spokesman at this time unite to inform our members of Congress that we strongly disagree and oppose Congress raising the retirement age from age 65 to age 68 and raising the Social Security cutoff taxes from $14,100 to $24,000 starting next January 1st.

Why is it that some members of Congress consider us "middle class workers" because both members of the household working incomes combined reach a total figure of over $14,000. Do we have to remind them without two jobs in the same household we could not have purchased our homes, supported and educated our children and pay the taxes to help support the rest of the world. Yet, we are still struggling to survive because of inflation brought upon us by our government.

We are now told that after years of being promised that Social Security will take care of us after we retire that now we are expected to pay more because the system is nearly depleted. Why is it after watching our government spend one hundred million dollars a day for years to support an undeclared war we are now told that the same government does not have money to subsidize the Social Security System which we have contributed to for years under the guise that it would take care of us after we retire.

Why should our deductions be raised by a generation of lawmakers that never experienced what factory and piece work is like? How many of your workers worked in conditions of 100 degrees heat year after year and freeze in the Winter? How many of your lawmakers understand that we have had enough of Washington rhetoric? We want changes to benefit the "middle class Americans".

If the new Social Security increases are passed into law, we will organize and work to remove those from office who support this preposterous "rip-off" legislation.

Wake-up Americans before it is too late—Let's sign this petition before you are stripped of every benefit that you have so long worked for!!!

DISSATISFIED WORKERS OF AMERICA.

MEET NANCY HANKS: THE ARCHANGEL

Mr. HUGH SCOTT. Mr. President, a recent article in the Philadelphia Inquirer featured my good friend, Miss Nancy Hanks, chairwoman of the National Endowment for the Arts. The article by Howard A. Coffin gives an excellent account of the outstanding work accomplished by Miss Hanks and the Endowment. I have long been a strong supporter of the Endowment and have had the opportunity to personally endorse many of its fine projects in the Commonwealth. 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:

[From the Philadelphia Inquirer, Feb. 16, 1975]

MEET NANCY HANKS: THE ARCHANGEL

(By Howard A. Coffin)

WASHINGTON, D.C.—In show business parlance, Nancy Hanks is America's biggest "angel"—at least the National Endowment for the Arts, which she heads, certainly is.

Miss Hanks did not appear particularly angelic during a recent interview in the Endowment's Washington offices. Wearing a boffant hairdo and neat purple dress she is attractive, though somewhat matronly looking at 46.

What's more having sprained an ankle wrestling with a faulty hide-a-bed in the "modest" Georgetown apartment she shares with a dog named MacFolly, there is an occasional grimace of pain on her face, which is otherwise wonderfully cheerful looking.

But heavenly appearances aren't what arts "angels" are all about. The term connotes money, and lots of it.

When President Richard M. Nixon appointed Miss Hanks chairman ("chairperson" isn't her style) of the Endowment in 1969, the agency was only a promising grace note in the federal bureaucracy. Though charged with the heady responsibility for stimulating, preserving and strengthening the arts all across America, it had a puny $3.5 million budget with which to do it.

In six years on the job, however, the zealous Miss Hanks has proven to be one of the most persuasive Washington women since Eleanor Roosevelt. Mixing unpretentious Southern charm with a keen grasp of practical politics and an unerring eye for details, she has cajoled and convinced two Administrations, plus countless senators and congressmen, into seeing things her way.

If she has not altogether converted some of the more recalcitrant people on Capitol Hill, she has at least gotten many of them to accept the notion that the arts are good politics. The upshot of her campaigning is that today the Endowment is a $75 million lifeboat in the Lusitania-like world of arts financing, and federal support for the arts is an influential force on the American scene for the first time since the New Deal.

Last year, for instance, when the Metropolitan opera was awash in red ink and threatening to warble its swan song, the Endowment promised it $1 million over a two-year period if it could raise three times that amount from new donors. With that as an incentive, the Met launched a campaign pitched to its nationwide audience of devoted radio listeners who came across with an astonishing $3,300,000 to keep the Met afloat.

In Pennsylvania, the Endowment has made some 219 grants totalling $4,288,099 over the past three years. They have supported everything from a jazz workshop and concert in Harrisburg ($780) to the Philadelphia Museum of Art's reinstallation of its American art collection in time for the Bicentennial ($460,000).

It was Endowment funding—a $27,600 grant to the All Star-Forum—which made possible the New York City Ballet's first Philadelphia appearance in eight years at the Academy of Music last fall.

Part of a $280,000 grant to the Pittsburgh Symphony enabled the orchestra to continue its residency at the Temple University Music Festival last summer. And a $60,000 grant in 1974 supported a special exhibit at the Franklin Institute showing the interrelationship between science, technology and the arts in America.

But as impressive as these Endowment supported undertakings may be, the current philosophical thrust of the agency is probably better exemplified by what it calls its "expansion arts" programs. They're aimed at broadening the social reach of the arts and changing the notion that they are the special province of people who are white, monied and well educated.

Examples: The Chinese Cultural and Community Center in Philadelphia got $12,000 to support its work last year; the Johnstown Area Arts Council used a $600 Endowment grant to pay for a residency involving jazz, folk and ethnic musicians; and the Print Club Workshop of Philadelphia received $15,000 to continue its "prints in Progress" program, which teaches graphics and print making to young people, many of them black or Spanish-speaking.

Perhaps surprisingly, the woman who has steered the Endowment into these uncharted federal waters is not an arts lover turned administrator, but rather an administrator turned arts champion.

"Her own personal interests in the arts are rather modest," says an ex-Endowment staff member. "She's particularly interested in crafts and design. She does attend the performing arts, but it's my impression that her own passionate involvement—as recreation—is limited.

"Consequently," says the former associate, "she's been able to give the most even-handed attention to ALL of the arts. You just don't hear people saying, 'She likes your art more than mine.' "

Miss Hanks confesses that when she was appointed to the Endowment, her friends thought it was "the funniest thing they'd ever heard. The only funnier job they thought I had was when I worked on the Outdoor Recreation Commission, because I was never known to be exactly an outdoor enthusiast. My idea of sports, things which I enjoy very much, is horseback riding and walking my dog.

"They were equally amused at my 'great interest in the arts'—though that's indeed

true—because they know I can't carry a tune. I mean, I can't even sing a hymn! And I was a perfect disaster at the piano, because it seemed to smell bad. I can't draw either. I mean, I can't do ANYthing."

Miss Hanks is quick to point out, however, that "one of the strengths of the Endowment is that I never make an artistic decision in this place. I think it's very important to have professionals in the field making those decisions."

Endowment grant requests are screened by the agency's staff numbering somewhere near 130, and are then further weighed by panels of outside consultants, including people like Harold Prince and Joseph Papp on the theater panel, and Cannonball Adderly, one of the jazz advisors.

These recommendations are then—in theory at least reviewed by the Endowment's star-studded advisory board, the National Council on the Arts, members of which are appointed by the President. (It currently includes actor Clint Eastwood, opera star Beverly Sills, dancer Judith Jamison, artist James Wyeth and other citizens of similar reknown.) As Chairman of the Council, Miss Hanks has veto power over its decisions, however, and has the authority to award grants of up to $10,000 just on the strength of her signature.

Her first serious brush with the arts world came when she was working in New York with the Rockefeller Brothers Fund. She was employed by the Rockefellers—mostly Nelson—for 20 years, first as a secretary, later as an administrative assistant, and eventually as director of the Rockefeller Brothers Fund "Special Study Project." In that capacity, she directed work on a major study which was published by McGraw-Hill in 1965, and titled "The Performing Arts: Problems and Prospects."

The book had enormous impact in performing arts circles. It marked the first time that the business and industrial establishment had turned its attention to a serious study of the impact of the performing arts in American public life, and many of its recommendations were subsequently implemented by professionals in the field.

The book echoed forceful arguments by Nelson Rockefeller that the arts ought to be a central concern of the American public and were deserving of state and federal financial support. (As Governor of New York, Rockefeller introduced one of the first proposals for a state arts council in 1954—a bill which Nancy Hanks typed.)

The Rockefeller Brothers Fund study was an eye opener for Nancy Hanks, who recalls that when she was growing up in Florida, "There was no place to go, and about the only cultural activity we had was a season subscription to the few events that came through town."

A GENERAL PROBLEM

"I didn't think much about that until I did the study for the Rockefellers, when it suddenly occurred to me that my lack of opportunity growing up was shared by many people throughout the country, and was due to economic and geographic reasons.

"From that, I just started moving into this field, and I guess it's been both a personal and professional commitment ever since."

Never married, Miss Hanks is free to spend most of her waking moments involved in some way with Endowment work. She rarely entertains at home, but does spend considerable time at social functions ("a lot of work gets done at Washington social functions").

Thankfully, she says, Capitol parties almost always end before 11 P.M., which permits her to maintain her early rising (6 A.M.) regimen, and spend a couple of hours reading mail and preparing memos before getting to the office at 9.

She's an absolute stickler about grammar and typographical errors in Endowment correspondence: "I've been raised to think that if something's worth saying, it's worth saying properly," she claims, and the same attention to details characterizes her approach to lobbying.

A former Endowment consultant marvels as her effectiveness in wooing members of Congress and the Senate: "She's been the most effective lobbying force for the arts in this country," he says. "Careful preparation is the hallmark of everything she does . . . she always has the facts and she's able to relate them to a (Senator or Congressman's) constituency."

"In addition, he says, "Her enthusiasm is infectious. I think many Congressmen support her projects because they might feel ashamed in front of Nancy if they didn't. Hers is not the bubbly kind of enthusiasm; it's a zeal."

Whatever it is, is works—not only with Congress but with the executive branch as well. When the President's budget was announced last week, the Endowment was one of the few federal agencies recommended for an increase in fiscal year 1976. The administration has requested a total of $82 million (including $7,500,000 in federal funds to match projected private donations) for the Endowment—more than $7 million more than the agency received in fiscal year 1975.

Miss Hanks has maintained strong ties with the White House, beginning with the Nixon administration. She visits the First Lady frequently, and refers to President Gerald Ford as "a convert," reminding people that he was instrumental in boosting support for the Endowment when he was House Minority leader. And, she happily concedes, her long association with Vice President Rockefeller "sure won't hurt."

"What's better than having one person feel strongly about the arts? The answer is two people.

Despite the Endowment's substantial growth during her tenure, Miss Hanks remains adamantly grass roots-oriented. The agency has a marked preference for self-help programs in which its leadership and seed money can be effective in inducing ongoing support from private sources. The Metropolitan Opera rescue effort was a good example of that.

For that reason, she prefers to think of the Endowment as a "Johnny Appleseed" planting the wherewithal for artistic growth and then moving on, rather than as the "angel" many have called it. She's particularly proud of the agency's leadership in the area of dance, the estimated audience for which has grown from 1,00,000 in 1968 to 11.5 million in 1974. When the Endowment began its dance program, federal dollars accounted for more than half the support for dance. Now, claims Miss Hanks, every $1 in federal money is pulling $5–$6 in private support.

She is equally opposed to suggestions that the Endowment ought to be a full-fledged department of the federal government with cabinet level representation. "We don't want an 'Artegon,'" she says. "There's a mentality that—if you have a department—the federal government can do it all. We're trying to keep it going the other way, and who's to say we haven't been successful?"

ENDANGERED SPECIES: GOOD NEWS AND BAD

Mr. CRANSTON. Mr. President, I direct the attention of Senators to two documents of interest to concerned advocates of Public Law 93–205, the Endangered Species Act of 1973. A March 15 column in the Washington Post by Jack Anderson alleging dilatory enforcement of the act by the U.S. Fish and Wildlife Service, and a February 3 letter from the Council on Environmental Quality offering an important perspective on implementation of the act, the posture of the Department of the Interior toward such implementation, and a position statement on the controversial issues involved.

The Anderson charges—if true, and I suspect they are—would help to explain a series of disappointing and frustrating experiences of my own in pursuing investigatory and enforcement actions under the act, regarding the status of the grizzly bear, with three Federal agencies.

In March of 1974, I began an exchange of correspondence with the U.S. Forest Service, the U.S. Fish and Wildlife Service, and the Council on Environmental Quality, in protest of the continued hunting of grizzly bears in the Yellowstone National Park ecosystem.

I wish to share these letters with all those concerned with implementation of the Endangered Species Act. I direct special attention to the responses by the Fish and Wildlife Service. I believe they evidence a lack of advocacy in carrying out the intent of Congress with regard to the Endangered Species Act, as well as illustrate the redtape Mr. Anderson says is strangling the program.

I am encouraged, however, by a letter dated February 3, 1975, from the Council on Environmental Quality to the Secretary of the Interior, which offers a timely degree of leadership on this vital issue. I commend Mr. Peterson and the Council for a statsmanlike posture in an area where leadership is sorely needed. I believe the Council's position should provide a starting point for a full evaluation of our progress to date under the Endangered Species Act and a critique of the actions of all responsible Federal agencies in carrying out legislative intent.

Mr. President, I ask unanimous consent that the documents to which I have referred be printed in the RECORD.

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

[From the Washington Post, Mar. 15, 1975]

AGENCY STALLS WILDLIFE PROTECTION

(By Jack Anderson and Les Whitten)

During the past century, predatory men have wiped out approximately 10 per cent of all known animal species. Another 10 per cent are close to extinction.

To protect our wildlife, Congress finally pushed through the Endangered Species Act in 1973. This gave the government broad, sweeping powers to stop the slaughter of the vanishing species.

Yet today, the endangered animals are in as much peril as they ever have been. The reason is that the act has been entrusted to balking bureaucrats to administer.

The Endangered Species Office was placed under the jurisdiction of the Fish and Wildlife Service, which has a close relationship with the hunting-fishing lobby. Our sources report that the Fish and Wildlife bureaucrats are obstructing the experts who were brought in to protect the disappearing wildlife.

The main function of these experts is to determine which animals should be listed as endangered, thereby bringing them under government protection. But the experts keep tripping over the bureaucratic red tape.

During the first full year of the act's existence, not one species was placed on the endangered list. Yet biologists claim at least 400 species are threatened with extinction.

When the howls of the conservationists

grew uncomfortably loud, the bureaucrats finally listed the kangaroo as a threatened animal. But the steps taken to halt the traffic in kangaroo hides were so weak that the President's Council on Environmental Quality protested.

The chief obstructionist is Keith Schreiner, a Fish and Wildlife associate director, who has direct authority over the Endangered Species Office. Our sources said he has held up many listings under pressure from the hunting lobby.

Explained one source: "Keith isn't an environmentalist. He's a bureaucrat. His first and primary concern is seeing that everything runs smoothly, that the wheels are always oiled."

At a recent staff meeting, Schreiner asked a biologist to name the two categories of endangered species. The man dutifully wrote down "threatened and endangered"—the common listings.

Schreiner quickly corrected him. The two types, he said were "controversial and noncontroversial."

The meaning was clear to those who attended the meeting. Any listing of a species that might cause controversy should be handled very, very slowly.

In a talk with our reporter Ed Tropeano, Schreiner denied that he is obstructing the Endangered Species Act. He merely is laying what he called "a firm groundwork for the act." He has never delayed listing an animal for poltical reasons, he said, although he admitted he has sent staff reports back occasionally for more information.

The professionals on the staff disputed this. "When he requests more information," said one, "he's just stalling. It's a situation where you can never get enough facts."

Schreiner has been behind several delaying actions, according to our sources, including the following:

For over a year, staff biologists have been trying in vain to list the green sea turtle as endangered. In most places, this rare turtle is near extinction. Our sources say Schreiner is holding up action to save the green turtle because of opposition from commercial interests. When we asked Schreiner about this, he said he was awaiting a status report on the turtle before making a decision. Yet we have in our possession a voluminous status report, completed by his own staff last September, which states the turtle should be classified as endangered.

Last August, Schreiner personally received a memorandum warning that the American crocodile was being driven into oblivion by human habitation. There were only 11 nesting females left in the United States, declared the memo, with the total American crocodile population down to 300. Immediate action was required, Schreiner was told, to save the species. Yet he kept a staff report, recommending that the animal be listed as endangered, on his desk for a month and then sent it back demanding more information. He got the new facts in January, but he still hasn't acted, as of this writing.

Several species, which are known to be in danger of extinction, have been called to Schreiner's attention, without results. Among them are such animals as the clouded leopard, chimpanzee, glacier bear, Indian elephant and Mexican wolf.

U.S. SENATE,
COMMITTEE ON LABOR
AND PUBLIC WELFARE,
Washington, D.C., March 14, 1974.

JOHN R. MCGUIRE,
Chief, U.S. Forest Service,
Washington, D.C.

DEAR MR. MCGUIRE: I am writing with regard to the hunting season which will begin April 1, 1974, in the National Forests surrounding Yellowstone National Park. I am concerned particularly about the permits which will be issued by the Wyoming Game and Fish Commission for the taking of twelve grizzly bears on National Forest lands.

While the grizzly bear is not officially listed as an endangered species, there is evidence that this species is threatened. Because of conflicting views on the question, the Department of the Interior is about to begin a study to establish correctly both the size of the grizzly bear population and the extent to which the grizzly bear is threatened with extinction. The notice of this study is expected to be published in the Federal Register during the week of March 18.

I urge the Forest Service to suspend all grizzly bear hunting activities on the National Forest lands surrounding Yellowstone National Park until the study by the Interior Department is completed and the data evaluated. In the event that the study shows the grizzly bear population can readily sustain the loss of twelve bears, the hunting season might then be opened.

I believe the Forest Service has the responsibility as the Agency managing the land on which the grizzly bear lives to protect a species whose continued existence is, at the very least, in question.

I look forward to your early response.

Sincerely,

ALAN CRANSTON.

FOREST SERVICE,
Washington, D.C., March 19, 1974.

Hon. ALAN CRANSTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your recent request that the Forest Service suspend all grizzly bear hunting activities on the National Forest lands surrounding Yellowstone National Park.

The Forest Service has been under intense pressure from several national conservation organizations, as well as a large number of individuals, to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears.

According to our attorneys, we have such authority. However, it has been and continues to be our policy to rely on the States to set regulations governing the hunting of resident game species on National Forest administered lands. As you know, the Western States are sensitive to the "State's Rights" question as it relates to the management of resident wildlife species. We have been informed by Director James White of the Wyoming Camp and Fish Department, that he would vigorously oppose any attempt by the Forest Service to regulate hunting of grizzly bears on National Forest lands in Wyoming. Also, such an attempt would be counter to our Memorandum of Understanding which is the basis of our cooperative wildlife work with the Wyoming Game and Fish Commission.

Grizzly bear hunting in Wyoming is on a very limited basis and hunters have been particularly unsuccessful in the spring hunt. In the past two years, only one bear has been killed in the spring hunt. On March 12, 1974, the Wyoming Game and Fish Commission passed a regulation prohibiting the baiting of grizzly bears in the Yellowstone ecosystem. This restriction should further curtail the opportunity of taking grizzly bears in Wyoming. It is difficult to believe that this level of legalized hunting is a threat to the bears in the Yellowstone ecosystem. If it is, we can only conclude that the grizzly bear certainly needs to be given the protection of the Endangered Species Act, at least in this ecosystem.

We recognize the need for the best and most complete data that is possible to obtain on both the grizzly bears and their habitats. Therefore, the Forest Service is participating in a joint grizzly bear study with the National Park Service, the Bureau of Sport Fisheries and Wildlife, and the involved States. As the study team assembles new data and develops recommendations for management, these data will be considered with the States in improving upon present management of grizzly bears and their habitats. In the meantime, the best data we have supports the States contention that the few bears taken by legalized sportsmen hunting is not a threat to the continued existence of healthy, viable populations of bears on the National Forests surrounding Yellowstone Park.

Sincerely,

JOHN R. MCGUIRE,
Chief.

COMMITTEE ON LABOR AND
PUBLIC WELFARE,
Washington, D.C., March 28, 1974.

JOHN R. MCGUIRE, *Chief, U.S. Forest Service,*
Washington, D.C.

DEAR MR. MCGUIRE: I have received your letter of March 19, 1974 about the grizzly bear hunt which will begin April 1, 1974 in the National Forests which surround Yellowstone National Park.

I take little comfort in your statement that during the past two years, only one bear has been killed in the spring hunt. You fail to note that during the fall hunting season, hunters are much more successful in killing grizzly bears for which hunting permits have been granted. Three more grizzly bears were killed during the fall season last year. In addition, four more bears were killed last fall by people other than sports hunters.

However, at issue is not the success or failure of the grizzly bear hunt during a particular season but the fact that this animal, which is threatened with extinction and for which we have no accurate population count, is the subject of persecution.

The Department of the Interior, under the authority of the Endangered Species Act of 1973, (Public Law 93-205), will initiate a study this week to determine both the population status of the grizzly bear and the extent to which this animal is endangered with extinction. I believe the Forest Service has the responsibility and the obligation both under Section 7 of P.L. 93-205 and under Forest Service regulations 36 CFR 261.111, to take action to ensure that the grizzly bear's continued existence is not jeopardized in any way until the Interior Department study is completed and the data evaluated.

You state that to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears would be counter to the Memorandum of Understanding between the two states and the Federal government relating to the management of resident wildlife species.

Extinction can be thwarted if we act in time. Therefore, the intent in temporarily halting the grizzly bear hunt is not to interfere with a state's right to manage its own resident wildlife but rather to ensure that an animal species—whose survival is of universal ecological concern—is not extinguished in the course of a jurisdictional dispute.

If the Wyoming Game and Fish Department will not defer the beginning of the spring hunting season, I believe the Forest Service must use its legal authority to do so, temporarily, until the Interior Department study is completed.

By not acting, the Forest Service is gambling with the survival of one of America's greatest symbols of native wildlife. I urge the Forest Service to take the temporary action necessary to protect the grizzly bear.

Sincerely,

ALAN CRANSTON.

FOREST SERVICE,
Washington, D.C., April 4, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of March 28, 1974, requesting the Forest Service to suspend all grizzly bear hunting activities on National Forest System lands within the Yellowstone ecosystem.

There is little that we can add to our previous correspondence on this matter. However, there is one point that we wish to emphasize. The State of Wyoming action terminating grizzly bear baiting in the Yellowstone ecosystem will make it even more difficult for hunters to take grizzly bears during the spring hunting season. Even with baiting, only one grizzly bear was harvested in the last two spring hunting seasons in Wyoming.

If the grizzly bear is threatened with extinction, there is time before the fall hunting seasons for the Department of the Interior to follow the procedures outlined in the "Endangered Species Act of 1973," to classify this species as either threatened or endangered. This classification would undoubtedly terminate the present type of hunting activity for the grizzly bear.

We feel this procedure for handling this situation has several advantages over taking unilateral action of terminating the hunting season at this time. First, the spring hunting season will not adversely affect the grizzly bear population. Second, we avoid another confrontation between the States and a Federal agency over responsibilities for managing resident wildlife species. Third, we are following the direction of Congress for classifying threatened or endangered species as outlined in the "Endangered Species Act of 1973."

We will continue to work closely with the National Park Service, the Bureau of Sport Fisheries and Wildlife, and the States to provide the best management program possible for the grizzly bear.

Sincerely,

JOHN R. MCGUIRE,
Chief.

COMMITTEE OF
LABOR AND PUBLIC WELFARE,
Washington, D.C., May 16, 1974.

Mr. LYNN A. GREENWALT,
Director, Bureau of Sport Fisheries and Wildlife, U.S. Department of the Interior, Washington, D.C.

DEAR MR. GREENWALT: I was pleased to note in the March 29 Federal Register that the Bureau of Sport Fisheries and Wildlife is reviewing the endangered status of the grizzly bear.

In recent days, a number of national publications such as Conservation News, Environmental Quality, Defenders of Wildlife News, along with The Washington Post, and The New York Times, have noted the decline in America's grizzly bear population and expressed grave concern for its survival under present federal wildlife conservation policies.

I recently expressed my concern to the U.S. Forest Service about the grizzly bear hunting season which opened April 1 in the National Forests surrounding Yellowstone National Park. I asked that the hunt be suspended until the study by the Bureau was completed and the data carefully reviewed. The hunt was not suspended.

I believe the decision not to act is a serious mistake. It would be tragic to allow bureaucratic red-tape to damage irreparably future conservation efforts to maintain a viable population of grizzly bears.

Sufficient evidence was presented to the Bureau to warrant a study of the endangered status of the grizzly bear. Therefore, I urge the Department of the Interior to extend temporary endangered species status to the grizzly bear until the study by the Bureau of Sport Fisheries and Wildlife is completed and the data evaluated. All persecution of this animal should cease until the study is completed.

The grizzly bear is one of America's greatest native species of wildlife. I urge the Department to act—and at once—to protect the grizzly bear while there is still time.

Sincerely,

ALAN CRANSTON.

FISH AND WILDLIFE SERVICE,
Washington, D.C., July 9, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter expressing concern for grizzly bears, and requesting that we extend temporary endangered status to the species until completion of our review.

This could be done by invoking the emergency clause of the Endangered Species Act of 1973 (16 U.S.C. 1531–1543; 87 Stat. 884), but our present data indicate that an emergency situation does not exist. Grizzly bears in the lower 48 States occur in Wyoming, Montana and Idaho, and the current situation in these States is as follows:

In Idaho, grizzly bears occur in the Selway-Bitterroot ecosystem, where they are very scarce, and in the Yellowstone ecosystem. There is no open season in the State, and bears are allowed to be taken only when they pose a threat to human safety and livestock.

Almost all grizzly bears in Montana are found in the Bob Marshall ecosystem, which includes Glacier National Park, and in the Yellowstone ecosystem. This year Montana has cancelled its annual fall hunt of the species in the Yellowstone ecosystem, but, at this time, intends to permit the hunt in the Bob Marshall ecosystem in late October or November. Our review of the status of the species in this ecosystem, however, does not indicate that an emergency situation exists in Montana that would necessitate our taking emergency action to halt the scheduled fall hunt.

Iy Wyoming, grizzly bears occur only in the Yellowstone ecosystem. The State has issued 12 grizzly bear permits this year; the season is scheduled for April, May and June, and for September 1 through November 15. Wyoming has prohibited the practice of bear baiting for this year's hunt, and is calling for a 2-year moratorium on grizzly bear hunting after the close of the 1974 season. The data from our review do not indicate that we need to act to halt the fall hunt considering the small number of permits that have been issued this year.

Since, (1) Idaho has no open season on grizzly bears, (2) Montana has cancelled its 1974 hunt in the Yellowstone ecosystem, (3) Wyoming has prohibited bear baiting and has called for a 2-year moratorium after this year's hunt, and (4) grizzly bears are protected from legal hunting in the huge areas of Yellowstone and Glacier National Parks, we do not feel that emergency action is needed to halt the scheduled fall hunts.

We anticipate completing our review of the status of the species shortly and want to do as thorough and comprehensive a job as possible. We intend to wait until the National Academy of Sciences has completed its review of the status of grizzly bears in the Yellowstone ecosystem (hopefully by mid-August) before taking final action. This seems to us to be the responsible position to take with regard to this situation.

Sincerely yours,

KEITH M. SCHREINER,
Associate Director.

COMMITTEE ON
LABOR AND PUBLIC WELFARE,
Washington, D.C., August 22, 1974.

JOHN R. MCGUIRE,
Chief, U.S. Forest Service, South Building, Washington, D.C.

DEAR CHIEF MCGUIRE: I am writing in regard to the recent report by the National Academy of Science on the status of the grizzly bear population within the Yellowstone ecosystem.

You will recall that on March 14 and March 28, 1974, I urged the Forest Service to suspend all hunting activities for grizzly bears in the Yellowstone ecosystem until the study by the Academy was completed. The Forest Service declined to take any action on this urgent matter until the conclusions and recommendations of the NAS study were available.

Now available, the NAS recommendations specifically state that "beginning in 1974 the total of man-caused removals should be held to about ten, if at all possible, until further research demonstrates that larger removals are consistent with maintenance of the population." "Man-caused removal" clearly refers not only to deaths of grizzlies from sports hunting but also to deaths due to poachers, ranchers, and those bears destroyed as hazards to human safety.

In addition, the Academy was unable to establish a reliable figure for present grizzly bear population size. It *estimated* that the figure would be below the conservative population figure of 234 bears, the population for the period 1959–67. In light of the low estimated population figure, the Academy recommends that to speed the recovery of the bear population, the man-caused kill of bears should be held below ten bears per year.

As you know, Wyoming, which has issued twelve hunting permits for this year, is scheduled to begin the Fall grizzly bear hunt on September 1. The number of permits issued, when added to the number of bears killed by poachers, ranchers, or for human safety purposes, far exceeds the number of losses the grizzly bear population can sustain.

I believe it is incumbent upon the Forest Service, as the agency with jurisdiction over the National Forests in which the hunting takes place, to act immediately to minimize the number of grizzly bear deaths in the Yellowstone ecosystem.

I therefore urge you to close the National Forests in the Yellowstone ecosystem to all hunting activities until Wyoming officials present a plan to the Forest Service which will hold all man-caused deaths of grizzly bears—by hunters, poachers, or depredation—to ten bears or less.

The NAS report views the population of grizzly bears to be threatened sufficiently to recommend that man-caused mortalities be extremely limited. I hope the Forest Service will meet—immediately—its responsibility to protect one of America's greatest symbols of native wildlife.

Sincerely,

ALAN CRANSTON.

FOREST SERVICE,
Washington, D.C., August 30, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: We have carefully reviewed the National Academy of Sciences' recent report on the status of grizzly bears in the Yellowstone ecosystem.

The Academy Committee found "no convincing evidence that the grizzly bears in the Yellowstone ecosystem are in immediate danger of extinction." It also concluded that compensatory changes in survival of young grizzlies (Conclusion No. 19) "have resulted in, or will lead to replacement of bears that

were removed from the ecosystem in 1968–1973. . . ."

During 1973 and 1974, the Park Service has not had to kill any nuisance or marauding grizzlies within the Park. Total grizzly bear removal within the ecosystem reached a low of 14 in 1973.

The following actions, already taken by the Park Service, the Forest Service, and the States of Wyoming and Montana, go a long way toward accomplishment of recommendations in the Academy report.

1. Closure or bear proofing of garbage dumps in the Yellowstone ecosystem is about an accomplished fact. Some bears keep breaking through the fence at West Yellowstone.

2. The Montana Fish and Game Commission has closed all five hunting units that abut Yellowstone Park to sport shooting of grizzlies in 1974. This includes the entire area within the Yellowstone ecosystem from which grizzlies have been taken in sport hunting in Montana in recent years.

3. Several years ago Wyoming reduced to 12 the number of grizzly bear hunting permits issued in that State. In 1974, we understand that 12 permits were authorized but only 8 were issued. The practice of baiting has been eliminated as a legal hunting method within the Yellowstone ecosystem. Also, the Wyoming Commission has released information that the Yellowstone ecosystem in Wyoming will be closed to grizzly bear hunting for two years on an experimental basis beginning January 1, 1975.

Our longtime agreements with the States recognize State prerogatives in management of resident wildlife within the National Forests. We believe that the States are taking responsible action to protect grizzly bears and limit their removal from the Yellowstone ecosystem. Information received to date regarding bear removals from the ecosystem in 1974 indicate a strong possibility that total removals this year will be less than 10. Furthermore, the Fish and Wildlife Service has lead responsibilities under the Endangered Species Act of 1973 and is currently contemplating classification of the grizzly under this Act. Such classification will further curtail or eliminate sport hunting. Therefore, there appears to be no justification for unilateral action by the Forest Service to close the National Forests to grizzly hunting.

Sincerely,

JOHN R. MCGUIRE,
Chief.

OCTOBER 10, 1974.

LYNN A. GREENWALT,
Director, Fish and Wildlife Service, Department of the Interior, Washington, D.C.

DEAR MR. GREENWALT: I write regarding the recent report by the U.S. Fish and Wildlife Service on the status of the grizzly bear population in the lower 48 United States.

As you know, I am keenly interested in the protection of a viable population of grizzly bears. The conclusions of the FWS report confirm that wildlife conservationists have been asserting for some time: that because of the seemingly inadequate grizzly bear management policies of Montana and Wyoming, the increasing man-caused pressures upon the bear and its habitat, and the slow reproductive rate of the bear, the grizzly bear should be classified as a "threatened species" in the United States south of the Canadian border.

The delay by FWS in implementing the report's recommendations is, in my view, indefensible. I deplore the apparent attitude that it is too late to do anything about the current hunting season in Wyoming and Montana and that "one last hunting season won't hurt the bear population anyway." What I find even more alarming is the policy—which is inconsistent with the legislative intent of the Endangered Species Act of 1973—of allowing the continued hunting of an animal which is being recommended as an addition to the threatened and endangered species list.

I understand that the delay in the proposed listing is due partly to the request by Montana to respond in writing to the FWS report. The Endangered Species Act established a comment period of up to 90 days for states to respond to proposed listings of endangered or threatened species.

It would seem that the appropriate time for any state to comment on the findings of the Fish and Wildlife Service report is during this established comment period.

I call upon the Fish and Wildlife Service to implement immediately the task force report recommendations and require that the States suspend all grizzly bear hunting activities.

I would appreciate receiving a report on when you plan to list the grizzly bear as a threatened species.

Sincerely,

ALAN CRANSTON.

FISH AND WILDLIFE SERVICE,
Washington, D.C., December 2, 1974.

Hon. ALAN CRANSTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This responds to your October 10 letter regarding the grizzly bear population in the lower 48 United States.

The report to which you refer was prepared by the staff of the Office of Endangered Species and was based, in part, upon data submitted by the States and other interested parties during the 90-day comment period following the publication of the Notice of Review of the status of the grizzly bear in the *Federal Register*. The Office of Endangered Species also gathered a great deal of information from other sources, all of which was evaluated and incorporated into its report. It must be emphasized, however, that the report was preliminary and the recommendations it proposed were only tentative; it did not represent the official policy or position of the Fish and Wildlife Service.

Because there are so many conflicting views and opinions regarding the status of the grizzly bear and factual data are scarce with regard to this species, we deem it advisable to submit the Office of Endangered Species' preliminary report to concerned State agencies and conservation groups for an appraisal of that Office's treatment and analysis of available data. Many important comments were received from those reviewers, and the final report and proposed rulemaking regarding the grizzly bear in the lower 48 States is now in preparation. One of the most important flaws, in the preliminary report that was pointed out to us by reviewers, was the lack of clearly defined boundaries for the ecosystems in which grizzly bears occur. Since different regulations may be imposed for each of these ecosystems, the failure to define them properly could result in numerous legal and jurisdictional problems which might be detrimental to the grizzly bear in the long run. Being able to correct this major oversight in the preliminary report was only one of the benetfis that resulted from our releasing the manuscript for review.

The delay involved with taking action on the grizzly bear has occurred because the problem of determining the status of this species has been extremely difficult; a tremendous amount of wark was involved in gathering and analyzing the data. The Endangered Species Act of 1973 requires that we base our decision as to whether a species is an "endangered species" or a "threatened species" on the basis of the best scientific and commercial data available. To gather these data has been a long and difficult job which is now about completed.

Please be assured that, to my knowledge, no one in the Fish and Wildlife Service has ever had the attitude that it was too late to do anything about the current hunting season in Montana and Wyoming, and that one last hunt would not hurt anyway. The important thing for us has been that we are right when we take action, and that the best interests of the grizzly bear are being served in the long run. We will be ready to take action on what we think is right within the very near future.

If we can be of further assistance to you, please let us know.

Sincerely yours,

KEITH M. SCHREINER,
Director.

COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., October 18, 1974.

RUSSELL W. PETERSON,
Chairman, Council on Environmental Quality, Washington, D.C.

DEAR MR. PETERSON: For some time I have been urging both the Forest Service and the Department of the Interior to take action to protect the grizzly bear—an animal that a current report by the U.S. Fish and Wildlife Service recommends be classified as "threatened with extinction." Copies of my correspondence with these agencies are enclosed for your background review.

I am enclosing a copy of my most recent letter to Fish and Wildlife Service Director Lynn A. Greenwalt urging immediate action on the recommendations of the report by FWS staff. While the delay in action by the FWS in proposing the classification of the grizzly bear as a threatened species is, in my view, unconscionable, I am more concerned and dismayed about a federal policy which allows the continued hunting of an animal which is being recommended for classification as a threatened species. I believe this kind of policy is inconsistent with the intent of the Endangered Species Act of 1973.

I am therefore appealing to the Council on Environmental Quality, as the Administration's chief policy making body on total environmental affairs, to clarify its position both on protecting a viable grizzly bear population in the lower 48 States and the overall policy of allowing the continued hunting and harassment of an animal which is being considered for endangered species status.

Should action on protecting the grizzly bear be delayed further, I will consider legislative remedies to make the intent of the Endangered Species Act, as I view it, more clear: that animals being considered for endangered or threatened species status are to be afforded the same protection as animals which are already so classified.

I would appreciate receiving your comments on this situation.

Sincerely,

ALAN CRANSTON.

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., December 6, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This office is also concerned about the plight of the grizzly classification under the Endangered Species Act of 1973. It is clear that the purposes of that Act could be frustrated if every potential classification involved so much study time that the species stocks were significantly reduced during the study periods.

Fashioning remedies for this problem may not be easy. However, one clear need is for the Department of the Interior to arrange more expeditious study programs on the species under study.

As a second possibility, the Secretary of the Interior might be urged to exercise his emergency powers under Sections 1533(f)(2)(B)(ii) and 1535(g)(2)(B) of the Act to protect species whose status is sufficiently in peril to justify studies for potential classi-

fication in either the threatened or endangered classes.

It might also be possible to amend the Act, giving a qualified but protected status to the species under study. This qualified status could be limited to a reasonably adequate study period, (such as, two years), or might protect the studied species on Federal lands, or on certain classes of Federal lands only. This alternative however, also raises the controversial issue of competing State and Federal powers over the management of wild animals, an issue which Mr. Widman of this office has discussed with your staff. It would appear desirable to have any potential legislative solution to this controversy developed before introducing an amendment to extend the coverage of the Act.

In regard to the specific problem of the grizzly bear, we have checked the matter with the Department of the Interior. As you know, during the court proceeding that Department agreed to initiate an independent study of the grizzly bear's status. We are advised that the final report of that study has now been submitted to Interior, and that Interior is planning to take appropriate action on the grizzly bear in the immediate future.

While the Council has no immediate suggestions for resolving all these issues, we would be happy to review any proposal which you might develop.

Sincerely,

RUSSELL W. PETERSON,
Chairman.

COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, D.C., February 3, 1975.

Hon. ROGERS C. B. MORTON,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: On December 30, 1974, notice of rule making appeared in the Federal Register regarding the threatened kangaroos. Similarly, on January 2, 1975, notice of proposed rule making appeared in the Register regarding the grizzly bear. This letter represents the Council's comments on those two actions.

We commend the Department of the Interior for taking these two actions. We realize that both have been highly controversial and there have been numerous delays and false starts. With these two actions, the Department is taking its first steps in public implementation of the Endangered Species Act of 1973, which was an important component of the Administration's Environmental Program. As a consequence, these two actions take on considerable significance as potential precedents.

In that regard, elements of the actions concern us greatly, particularly in light of the intent and substantive provisions of the Act.

Section 4(d) of the Endangered Species Act requires the Secretary of the Interior to promulgate "such regulations as he deems necessary and advisable *to provide for the conservation of such (threatened) species.*" (Emphasis added). Conservation is defined, *inter alia*, as ". . . to use . . . all methods and procedures which are necessary to bring any endangered species or threatened species to the point at which the measures provided pursuant to this chapter (the Act) are no longer necessary. Such methods and procedures included . . . research, census, law enforcement, habitat acquisition . . . and *in the extraordinary case where population pressures within a given ecosystem cannot be otherwise relieved, may include regulated taking*" (16 U.S.C. 1532) (Emphasis added).

This language clearly restricts the use of regulated taking to the "extraordinary case" where population pressures cannot be otherwise relieved. In the absence of facts which clearly establish that the population pressures cannot be relieved in any other way, there would appear to be no basis for legally valid regulations on regulated taking. Also, the principal language establishes the goal of other regulations, to be promulgated, as the restoration of species to a non-threatened or non-endangered status.

In this regard, the regulations promulgated regarding the three species of kangaroo are not consistent with the letter or the spirit of the Endangered Species Act of 1973. The regulations purport to allow importation of taken kangaroos when (1) a sustained yield program is established that (2) is not detrimental to the survival of the species. Neither the "sustained yield program" nor the "not detrimental" test meet the statutory criterion, showing that population pressures cannot be otherwise relieved. Thus, we believe that the regulations should be revised or interpreted so as to be in keeping with the mandate of the Act.

The rules submitted with the proposed listing of the grizzly bear are also troublesome. One portion of the proposal indicates that de facto regulations will be promulgated which allow the taking (mostly by sport hunting) of up to 25 bears per year in the Bob Marshall Ecosystem. Again, in our view, the Secretary must first fulfill the statutory burden by showing that the proposed taking by hunting will be the "extraordinary case" which follows substantial attempts to relieve population pressures by other means. In our view, this test, again, has not been met and we believe that the regulations and proposal for final action should be revised accordingly.

One other portion of the proposed regulations concerning grizzly bears is also of special concern to us. The regulations pertaining to listing of grizzlies in the Yellowstone ecosystem state that depredating bears may be taken. Similarly, the de facto regulations for the Bob Marshall Ecosystem state that nuisance (including depredating) bears may be taken.

We feel that the regulations in both cases should clearly differentiate between bears causing depredations on public and on private lands. On public lands, no threatened grizzly bears should be taken except for clear reasons of human safety.

Grizzly bears, and in fact all endangered and threatened species, are valued highly by the people of this nation. Public lands are lands held in trust for all Americans, not just one or another special interest group.

Certain uses of these lands require specific regulation and are a privilege, not a right. Grazing and ranching are such uses. Thus, in determining which of such discretionary uses may be allowed or may have priority, the public land manager must consider the impact of the proposed use on other public uses or values of those lands. Where there are public values, particularly wildlife such as the threatened grizzly on public lands, it may be logically argued that if a livestock owner wishes the privilege of grazing domestic livestock on the same area, he must accept some losses from the wildlife as part of the cost of doing his business on that public land. In such a case the restoration of the threatened species should be recognized as having a greater public value than the economic return to the affected rancher. Considering this, we believe that taking of a threatened species committing depredations, or otherwise being a "nuisance," on public lands should be prohibited in any case not involving direct threats to human safety. In fact, we suggest that the intent of Section 7 (16 U.S.C. 1536) of the Act, inter alia, to prohibit taking (killing) of endangered or threatened species on lands belonging to all of the American people, in any situation where it cannot be shown that such taking represents the "extraordinary case where population pressures . . . cannot be otherwise relieved."

Again, we are aware of the deep commitment with which the personnel in the Department of the Interior have approached the preservation of endangered and threatened species. Implementation of this law will undoubtedly aid in protecting both endangered species and environmental quality throughout the U.S. and the world. In that regard, we hope our comments are helpful in further administration of the law and in achieving its objectives.

Sincerely,

RUSSELL W. PETERSON,
Chairman.

REBUTTAL TO CRITICS OF OVERSEAS VOTING LEGISLATION

Mr. GOLDWATER. Mr. President, it has been brought to my attention that some questions were raised recently at hearings by the House Subcommittee on Elections with respect to the constitutionality of legislation strengthening the voting rights of overseas citizens.

PRECEDENT OF 1970 LAW SUPPORTS FURTHER ACTION BY CONGRESS

Frankly, I cannot see any doubt at all about the constitutionality of the proposed law. It is a logical extension of a law on the same subject which I authored in 1970 and which was upheld as a valid exercise of Congress powers by the U.S. Supreme Court 6 months later.

This law is section 202 of the Voting Rights Act Amendments of 1970, which extended absentee registration and balloting rights to American citizens who were denied the right to vote because they were away from home on election day and were not allowed to register absentee or obtain absentee ballots. One of the stated purposes of the law, spelled out during Senate floor action on it, is the intent to facilitate the vote in Presidential elections for Americans outside the United States.

The law also struck down the durational waiting periods preventing Americans from voting for President and Vice President solely because they had made a change of households before the election. Section 202, in which these provisions were set forth, was upheld in *Oregon* v. *Mitchell*, 400 U.S. 112 (1970).

In overhauling State residence and absentee regulations in Presidential elections, Congress had relied upon at least four district grounds for the exercise of congressional authority. In the case of Oregon, the Supreme Court seized upon each of these justifications in holding for the validity of the statute.

First, section 202 rests upon Congress power to secure the rights inherent in national citizenship, which include the right to vote for Federal officers. Since these rights adhere to U.S. citizenship, rather than citizenship of a State, we acted to protect the rights under the necessary and proper clause of article I of the Constitution.

A related basis for congressional power was our design to protect the fundamental, national right of travel by a citizen.

A third basis of Congress authority that was asserted is our power to enforce

the privileges and immunities guaranteed to citizens of all the States. Here we were mindful of correcting the maze of conflicting State and local requirements applicable to Presidential elections which created a serious inequality of treatment among citizens of one State as compared with citizens of the other States.

Fourth, we viewed section 202 as an exercise of power under the 14th amendment. In this context, we were protecting against a discriminatory classification in voting made between citizens who were able to be physically present at the time of registration or voting and those who could not be present in person. Also, we considered the unfair classification made between citizens who were new residents and those who were longtime residents of a State or locality.

In light of similar laws in many of the States which indicated that States could satisfy their legitimate interests by the rules legislated in section 202, we in Congress could not find any compelling reason why a State should condition the right to vote for President on the duration of a citizen's residence or his physical presence or absence at the polls.

Eight members of the Supreme Court upheld Congress' power to adopt the uniform regulations of section 202. Justice Brennan, joined by Justices Marshall and White, rested his opinion squarely upon the "compelling interest" doctrine and Congress' power to enforce the 14th amendment by "eliminating an unnecessary burden on the right of interstate migration" (400 U.S., at 239).

Justice Douglas also upheld section 202 as a 14th amendment matter, but tied his opinion to section 1 of that amendment, the privileges and immunities clause.

Justice Stewart, jointed by Chief Justice Burger and Justice Blackmun, sustained section 202 on the ground of Congress' authority to protect and facilitate the exercise of privileges of U.S. citizenship under the Necessary and Proper Clause of Article I. He stated that the privilege of free travel, without loss of the right to vote, "finds its protection in the Federal Government and is national in character" (400 U.S., at 287).

Justice Black based his opinion sustaining section 202 on the final authority of Congress to make laws governing Federal elections and Congress' general powers under the Necessary and Proper Clause of Article I.

Only Justice Harlan believed section 202 was invalid on any ground.

The fact that the Court divided in choosing alternative grounds for upholding section 202 is argued by some as depriving the case of precedential weight. But what this restricted view overlooks is the fact that eight Members of the Court actually did unite on the principle that the jurisdiction of the States over matters normally considered as being within their primary domain is subject to the superior power of Congress to vindicate personal rights or privileges of citizenship which the Court has determined to be secured by the Constitution.

Moreover, Oregon clearly stands for the proposition that so long as Congress acts with a purpose of protecting these rights or privileges in a narrowly drawn manner, rather than with the purpose of passing general legislation over a State-reserved field, Congress possesses power to establish specific regulations attacking a particular problem in that field.

POWER OF CONGRESS RESTS ON WELL-SETTLED CASE LAW

Applying the above rules to the pending legislation on behalf of overseas citizens, I am confident Congress is on firm ground in proposing to expand the 1970 vote law to cover congressional as well as Presidential elections. The case law may be summarized as follows:

First. In the past 10 years there have been at least eight Supreme Court decisions upsetting State and local election practices founded upon the principle of a strict judicial scrutiny under the 14th amendment of the State or local governmental objectives and methods. *Bullock* v. *Carter*, 405 U.S. 134, 144 (1972); *Dunn* v. *Blumstein*, 405 U.S. 330, 337 (1972); *Evans* v. *Cornman*, 398 U.S. 419, 424, 426 (1970); *Phoenix* v. *Kolodziejski*, 399 U.S. 204, 205 (1970); *Cipriano* v. *City of Houma*, 395 U.S. 701, 704 (1969); *Kramer* v. *Union School District*, 395 U.S. 621, 628 (1969); *Harper* v. *Va. Board of Elections*, 383 U.S. 663, 670 (1966); and *Carrington* v. *Rash*, 380 U.S. 89 (1965).

Second. In at least three of the above cases, the Supreme Court has overturned State rules which were purported to be bona fide residence requirements.

In *Carrington* v. *Rash*, 380 U.S. 89 (1965), the Court overturned the use by Texas of an irrebuttable statutory presumption that excluded servicemen from the vote by classifying them as nonresidents.

In *Evans* v. *Cornman*, 398 U.S. 419 (1970), the Court struck down a Maryland statute which created a presumption that persons living on a Federal enclave within the State did not fulfill the residence requirement for voting in Maryland.

In *Dunn* v. *Blumstein*, 405 U.S. 330 (1970), the Court held unconstitutional the 1-year durational waiting period Tennessee had used as a precondition to voting in that State.

Ironically, Dunn, which overturned a State residence rule, is cited by opponents of the overseas voting bill for the proposition that such rules are immune from the reach of Congress. To the contrary, the Supreme Court observed in Dunn that:

> If it was not clear then [referring to 1965], it is certainly clear now that a more exacting test is required for any statute that "places a condition on the exercise of the right to vote." 405 U.S., at 337.

Thus, the Supreme Court has made it clear that the States may not use a bona fide residence rule in such a way that it could sweep an entire group of otherwise qualified U.S. citizens off the voting rolls, unless the restriction is proven necessary to promote a compelling State interest.

Third. The right to vote for national elective officers, including Members of Congress and Presidential electors, has been expressly necognized as a right directly secured to citizens by the Constitution.

Contrary to the blanket statement by opponents of overseas voting legislation that no Supreme Court opinions indicate the existence of any inherent constitutional right to vote in Federal elections, other than the lone opinion of Justice Black in Oregon, there are at least five Supreme Court decisions in which such a right has been specifically mentioned: *United States* v. *Classic*, 313 U.S. 299, 314, 315 (1941); *Twining* v. *New Jersey*, 211 U.S. 78, 97 (1908); *Wiley* v. *Sinkler*, 179 U.S. 58, 62 (1900); *In re Quarles*, 158 U.S. 532, 538 (1895); and *Ex parte Yarborough*, 110 U.S. 651, 663 (1884). (Also see the opinion of Justice Frankfurter in *United States* v. *Williams*, 341 U.S. 70, at 79 (1951).

In Twining, the Supreme Court plainly announced that:

> Among the rights and privileges of National citizenship recognized by this court [is] the . . . right to vote for National officers." 211 U.S., at 97.

Fourth. Opponents of overseas voting legislation argue that elections for Presidential electors may be State rather than Federal elections for constitutional purposes. This argument ignores the decision of *In re Quarles*, where the Supreme Court expressly stated that:

> Among the rights secured to citizens directly by the Constitution is "the right to vote for *presidential electors* or members of Congress." 158 U.S., at 535. (Emphasis added.)

These same critics mistakenly cite *Burroughs* v. *United States*, 290 U.S. 534 (1934), in support of their position. Burroughs specifically considers and rejects the very suggestion raised by the critics, holding that Presidential electors, "exercise Federal functions under, and discharge duties in virtue of authority conferred by, the Constitution of the United States." Id. at 545. Thus Burroughs actually can be cited as additional support for the power of Congress to legislate with respect to Presidential elections.

Fifth. Critics of overseas voting legislation assert that the liberty to travel abroad is seemingly not as absolute as the right of interstate travel. Again, the critics ignore the clear message of the Supreme Court.

In *Kent* v. *Dulles*, 357 U.S. 116, 126 (1958), the Supreme Court plainly equated the right of interstate travel with the right to travel abroad.

The Court stated:

> "Freedom of movement across frontiers in either direction, and inside frontiers as well, was a part of our heritage. Travel abroad, like travel within the country, may be necessary for a livelihood. It may be as close to the heart of the individual as the choice of what he eats, or wears, or reads. Freedom of movement is basic in our scheme of values." 357 U.S. at 126.

Far from taking a narrower view of Congress power to secure the vote to travelers abroad, than of its comparable power with respect to interstate travelers, the Supreme Court has given a broad protection to foreign travel. In Aptheker against Secretary of State, the Court considered freedom of movement abroad to

be of such great importance that the Court held this personal liberty paramount to a substantial governmental interest in restricting travel based on grounds of national security, 378 U.S. 500, 505, 508 (1964).

LEGISLATION IS CONSISTENT WITH BASIC SCHEME OF REPRESENTATIVE GOVERNMENT

In summary, it is clear the proposed overseas voting legislation is constitutional. Its object is to protect and facilitate the right of almost 1 million U.S. citizens to vote in Federal elections. These citizens have a direct and substantial interest in decisions and policies acted upon by the public officials chosen in Federal elections, the President and Vice President and Members of Congress.

Action by Congress is required if overseas citizens are to be brought within the basic system of representative government. No single State can guarantee the franchise to all or most of these persons. In order to establish a uniform process by which all or most overseas citizens can enjoy an equal opportunity to vote in Federal elections, it is necessary for Congress to enact appropriate implementing legislation.

The specific procedures which Congress uses in the pending overseas voting bill are, in general, derived from section 202 of the Voting Rights Act Amendments of 1970, which in turn were drawn from the proven practice of the States themselves. In section 202 we made a finding that these practices were applied by many States with respect to some of their residents without significant fraud or administrative difficulty in their own elections, and in the overseas voting bill we again make the same finding.

If some of the States can use these practices successfully for purposes of voting, and determining residence for voting, by certain citizens from such State, such as absentee servicemen and women and their accompanying dependents, then surely we in Congress may properly find that there is no compelling reason why all States should not use the same practices for protecting the vote of citizens with at least an equal nexus with the particular State. Whatever the interest of the States in more narrowly defining residence for purposes of purely State, county, and municipal offices, there is no compelling need for using a stricter test in Federal elections than the one set forth in the pending legislation.

I would remind critics of the proposal that the bill is not open ended. It only applies to Federal elections. It only covers U.S. citizens who have a past nexus, a domicile, in the particular State where they are seeking to vote in Federal elections.

Moreover, the absentee citizen must comply with all applicable qualifications and valid procedural requirements of a State. Each State will retain full power to test whether an applicant for absentee registration or voting first, is of legal age; second, is incapacitated by reason of insanity; third, is disqualified as a convicted felon; fourth, meets the prescribed time and manner for making application; and fifth, is accurate or truthful in making statements pertinent to the application, such as a claim to being last domiciled in such State prior to departure from the United States.

Thus, Congress can act, consistent with the highest standards of our constitutional system, to establish uniform, national practices securing the right of Americans abroad to participate in the choice of Federal officers whose decisions and programs affect them directly and substantially.

NATIONAL AIR AND SPACE MUSEUM

Mr. MOSS. Mr. President, having recently been appointed to be a member of the Board of Regents of the Smithsonian Institution, I was disturbed to read an article on February 28 in the Washington Post indicating that the construction of the National Air and Space Museum is experiencing a cost overrun.

Michael Collins, the Director of the museum, has set the matter straight in a letter to the editor of the Post published on March 10.

I ask unanimous consent that Mr. Collins' letter be printed in the RECORD.

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

[Letter to the editor, Washington Post, Mar. 10, 1975]

MUSEUM'S COST

Your February 26 front page story concerning construction cost overruns states that the National Air and Space Museum will have a 6% overrun. While it may seem a small point, those of us working on this project are proud of the fact that there will be no overrun, in terms of either time or money. The building will be ready for its public opening in July 1976, as originally planned, and it will cost no more than its original $41.9-million price tag.

MICHAEL COLLINS,
Director,
National Air and Space Museum.

Washington.

Mr. MOSS. Mr. President, at my request, Mike Collins has provided me with background information on the status of the National Air and Space Museum construction. So that the record may be completely clear in this regard, I ask unanimous consent that the background statement be printed in the RECORD.

This major and important construction project, even though delayed for many years, is not overrunning.

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

STATEMENT ON PURPORTED COST OVERRUN ON THE NATIONAL AIR AND SPACE MUSEUM CONSTRUCTION

GAO's report to the Congress of February 24, 1975, entitled "Financial Status of Major Civil Acquisitions, December 31, 1973" cites on page 27 that the National Air and Space Museum's current cost estimate of $41,900,000 exceeds by $2,400,000 (6 percent) the 1962 estimate of $39,500,000. While both of these amounts do pertain to this building, their comparison over this extended period is completely misleading. This comparison, however, since it is now a matter of record, deserves to be explained. There is no cost overrun against the funds actually appropriated for this project.

While an exhaustive search of historical records has not been undertaken, the following chronology and facts are clear.

1. The construction of a suitable building to house the Nation's air and space collections has been a long-awaited event. The act of August 12, 1946, establishing the National Air Museum, included provisions for a method of selecting a site for a National Air Museum to be located in the Nation's Capital. The act of September 6, 1958, designated the site for a building to be on the Mall from Fourth to Seventh Streets, Independence Avenue to Jefferson Drive, S.W.

2. During the period of the late 1950's and early 1960's, the Smithsonian Institution engaged in preplanning studies for this new museum building. During this period it was concluded, as part of the planning process, that the costs of such a building should not exceed $40,000,000, which the Institution believed would produce an outstanding building to commemorate American attainments.

3. A "Schedule of Building Projects" was included by the Smithsonian in both its FY 1962 and FY 1963 budget submissions to the Congress. The Schedule in the FY 1962 submission (page 32) projected the FY 1963 request for a planning appropriation of $1,820,000 and an FY 1965 construction appropriation of $37,680,000 for the NASM building. These two amounts total $39,500,000. The Schedule in the FY 1963 document (page 57) maintained the two amounts but slipped the Schedule to FY 1964 and FY 1966. This Schedule, dated January 2, 1962, would appear to be the source of the 1962 "original estimate" cited in the GAO report.

4. In 1963, the Smithsonian revised its cost estimate to $41,920,000, including a total of $1,875,000 for planning. Actual planning appropriations in the amounts of $511,000 and $1,364,000, for a total of $1,875,000 were made available to the Institution by the Interior and Related Agencies Appropriation Acts for the fiscal years 1964 and 1965, respectively. This planning was completed and the project approved by the Commission of Fine Arts and the National Capital Planning Commission. The cost of the building, built to those plans and specifications, was estimated to be $40,000,000 in 1965.

5. In 1966, the Congress enacted legislation authorizing the construction of the NASM but deferred appropriations for construction until expenditures for the Vietnam war had shown a substantial reduction.

6. By the early 1970's, when it appeared this project might be allowed to proceed, it was obvious that as a result of rising costs of labor and materials over the intervening years, the 1965 plans would now cost between $60 and $70 million to implement. Consequently, in its FY 1972 budget, the Smithsonian requested an appropriation of $1,900,000 for planning and redesign of the museum building with the goal of using the latest design and construction techniques to lower the cost of the building to $40,000,000—the estimate of ten years earlier. Those new planning funds were appropriated and the redesign completed and approved by the Commission of Fine Arts and the National Capital Planning Commission.

7. For FY 1973 the Institution requested a construction appropriation of $40,000,000. The Interior and Related Agencies Appropriation Act for that year provided an appropriation of $13,000,000 and contract authority for an additional $27,000,000. Appropriations to liquidate the contract authority were provided in FY 1974 ($17,000,000) and FY 1975 ($7,000,000) and are requested for FY 1976 ($3,000,000, the balance of the approved amount).

8. The construction of the new museum building started in the fall 1972, and is now

80 percent completed. It is on schedule for a public opening on July 4, 1976, and its cost will be within the approved planning and construction amounts of $41,900,000.

In summary, the new National Air and Space Museum is being constructed within the level of funds approved and appropriated by the Congress. There is no cost overrun.

SCIENTISTS FIND PUBLIC IS OFTEN MISLED BY FAULTY RESEARCH DATA

Mr. CURTIS. Mr. President, recently in the New York Times there appeared an article which made the point that "the quality of scientific information being produced by researchers, accepted in scientific journals and disseminated publicly by science reporters is often unacceptably sloppy or misleading."

This analysis came from a group of researchers at a recent meeting of the American Association for the Advancement of Science.

The scientists pointed out that the consequences of "sloppy" research is very serious both from the scientific community's standpoint as well as from the public's standpoint.

An unjustifiably frightened public often forces policy decisions that are unwise or counterproductive, they pointed out.

I think that the entire article on this interesting subject should have the widest distribution and I ask unanimous consent that it be printed in the RECORD.

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

[From the New York Times, Feb. 2, 1975]

SCIENTISTS FIND PUBLIC IS OFTEN MISLED BY FAULTY RESEARCH DATA

(By Boyce Rensberger)

The quality of scientific information being produced by researchers, accepted in scientific journals and disseminated publicly by science reporters is often unacceptably sloppy or misleading, at least a dozen researchers asserted during last week's meeting of the American Association for the Advancement of Science here.

The scientists largely agreed that the most serious consequence of this carelessness, sometimes committed to further a partisan or commercial interest, was to frighten or soothe the public unjustifiably and to force governments into policy decisions that may turn out to have been unwise or counterproductive.

Among the recent public policy issues to which many of the scientists referred were the Federal Government bans on DDT and cyclamates, the local restrictions on phosphates, the controversy over nuclear power plant safety and the controversies over the antiballistic missile system and the supersonic transport.

In each of these cases, it was said, proponents and opponents marshaled selected scientific data to support their own positions.

Frequently, the scientists said, the public is faced with two points of view, each contending that it is based on scientific evidence. Without the expertise to evaluate rival assertions, the public and its political leaders often decide questions less on strictly scientific grounds than on which position is more popular.

Thus, some scientists argued, empirical evidence is often less important to a decision than public relations strategy.

SCIENCE SEEN HARMED

The resulting confusion in many people's minds, several scientists said, has led to a widening disillusionment with science. Some researchers even suggested that the situation had led many people to conclude that their own judgment on technical matters was as good as anyone else's.

This, it was said, accounts partly for the explosion of interest in such pseudoscientific pursuits as food fads, much psychic research, and a host of fake weight-reducing diets and aids.

During last week's discussions, most of the scientists argued that public policy decisions should be better grounded scientifically. Some noted, however, that just because an issue had scientific aspects it did not necessarily mean that the decision should be made on scientific grounds alone.

In many cases, said Dr. Mary L. Good, professor of chemistry at the University of New Orleans, "The scientific community can only give you the best data they can give. Then it is up to the public to judge."

Several scientists stressed that even if there was agreement on the validity of certain data their significance would be interpreted in widely contrasting ways.

For example, Dr. Good cited the estimate that radioactive emissions from the nuclear power plants expected in 2000 would increase the number of cancer deaths by 8.7 per year.

"This information could be used as a very valuable weapon against the construction of nuclear power plants," Dr. Good said. "However, if the data are presented relative to the other risks that the population accepts as normal, the hazard appears negligible."

MORE COMMON RISKS

Dr. Good said that equivalent risks on an individual basis included being a fraction of an ounce overweight, smoking 0.03 cigarettes per year and driving one mile a year.

Thus, depending on the scientist's point of view, nuclear power plants could be said to cause cancer or to be safer than driving a mile a year.

To minimize confusion in this kind of situation, Dr. Good recommended that individual scientists adopt a policy of clearly distinguishing between scientific data and opinions or interpretations based on the data.

Several researchers last week asserted that the very quality of the data published in many scientific journals was frequently suspect.

Dr. Richard W. Roberts, director of the National Bureau of Standards, said that "fully 50 per cent, or even more, of the data reported in the literature are unusable" not necessarily because of error but because not enough information was included upon which to assess the credibility of the findings.

A major activity of the Bureau of Standards, a branch of the Department of Commerce, is collecting and evaluating published scientific data, chiefly in the physical sciences, that can be compended into reference works for scientists.

Both Dr. Roberts and Dr. Good, a member of the American Chemical Society's Committee on Publications, urged professional journals to adopt and enforce higher standards for scientific papers.

CONCERN OVER EXAGGERATION

Although outright frauds, such as the recent incident in which a cancer researcher faked his results, are considered rare, many scientists are becoming concerned with the tendency of some of their colleagues to exaggerate the conclusions that can be drawn from their experiments, especially if the exaggeration can bring popular acclaim or grant money.

In an effort to avoid the obvious biases that can affect scientists in industry, many science writers and public policy makers seek guidance from university-based researchers who are presumed to be free of special interests.

Dr. George Bugliarello, president of the Polytechnic Institute of New York, warned that the popular view of the university as neutral ground was often wrong. Many academic institutions, he said, must form political alliances to insure their survival. He said it was not unusual for academic scientists to have financial interests in commercial concerns related to their areas of expertise.

On a broader scale, Dr. Bugliarello said, "Technical universities have a vested interest in technology." He also said that in the increasingly stiff competition for grant money, there was a tendency to yield to special interests or to publicize findings or interpretations that might not be well established but that seemed to enhance the university's public image as a scientific center.

"Often the thinking in the university is, 'Keep the laboratory busy. Keep the university in the news'," Dr. Bugliarello said.

ROLE OF POLITICIANS

A large factor in the misuse of scientific information, according to Dr. Lawrence A. Goldmuntz, formerly an assistant director of the now defunct White House Office of Science and Technology, is the tendency of some politicians to seize upon a scientific controversy and take a well-publicized position on one side when the facts may not be fully clear one way or the other.

Dr. Goldmuntz said that political considerations often entered the picture when popular sentiment on an issue became so overwhelming on one side that any decision to the contrary was politically untenable.

As an example, he cited the total ban on DDT that was imposed in spite of a large body of opinion among scientists that the benefits of continuing DDT use but under controlled conditions, outweighed the hazards.

One of the most frequently heard comments at the meeting was the popular idea that, with proper regulation of industry, it should be possible to eliminate completely the hazards associated with any given technology. For example, it is commonly said that if a nuclear power plant or some industrial chemical cannot be made completely safe, it should not be built or marketed.

Repeatedly the scientists spoke to the effect that there was no such thing as a zero risk. Because of increasingly sensitive analytic equipment and more sophisticated research methods, substances considered toxic at high doses are being found in very minute levels where once they were not thought to exist. It is no longer sufficient, they argued, to say that a substance is toxic. The nature and duration of exposure must be considered.

SALT HAZARD ACCEPTED

Every doctor knows, for example, that ordinary table salt can be lethal in large doses but most people, making an unconscious cost-benefit analysis, accept that the hazard of small doses is less than the value of tastier food.

During the meeting several other scientists cited specific cases in which policy decisions had been made on the basis of doubtful evidence.

For example, Dr. Bernard L. Oser cited the ban on cyclamates, artificial sweeteners, imposed by the Food and Drug Administration after experiments in Dr. Oser's laboratory had led some persons to conclude that cyclamates caused cancer.

The ban was imposed 10 days later after the F.D.A. learned that rats fed a mixture of sodium cyclamate and sodium saccharin for two years had developed bladder tumors. Dr. Oser said that repeated efforts in several

countries to confirm that cyclamate was responsible had failed but that other studies had suggested that the offending chemical in the original experiment was saccharin.

Stung by criticism of its cyclamate decision, the F.D.A. has moved more cautiously in evaluating the saccharin data. The contrast in approaches to the two chemicals has been taken by some critics of the F.D.A. as evidence that its rulings are sometimes based on other than scientific findings.

Dr. Oser said that, to a large degree, "disillusionment with science may be attributed to misrepresentations and misunderstandings for which scientists themselves, as well as the public media and regulatory agencies, must bear some responsibility."

SHERATON HOTELMAN CHARLES CAREY RETIRES

Mr. HUMPHREY. Mr. President, I would like to call attention of the Members of this body to the achievements of an individual in our Nation's Capital whose vision, character, and work have earned him the title of America's unofficial world ambassador: Mr. Charles T. Carey, the retiring executive manager of Washington's Sheraton Carlton Hotel.

Over the years Charles Carey has played an extraordinary and gifted role not only in Washington but in his other Sheraton Hotel assignments across the country. A self-effacing individual whose name perhaps is not well known to the public, Charles (Chuck) Carey nonetheless has been regarded by leaders of our own Nation, and many other nations, who have benefited from his talents, wisdom, and time as the peerless ideal of the good diplomat. His retirement, fortunately, will not bring a lessening of his many concerns and good work. But it still is regarded by many as a great loss to the social and cultural well-being of our world capital.

To speak of Mr. Carey's contributions to this and to other countries is to engage in an endless discussion. A distinguished Catholic layman whose interest in his church is widely regarded, Charles Carey has had an extraordinary catholic and ecumenical interest in all peoples, religions, races, and societies, with his constantly reaching out to help any person or cause, no matter how insignificant. His work for charities and social justice has extended literally to every part of the globe.

Mr. President, I had first-hand experience of Charles Carey's abiding personal concern for every individual when he served as the manager of the Sheraton Hotels in Minneapolis, Pittsburgh, and New York City. His ability to foresee opportunities for bringing men closer to each other ultimately led him to Washington where his diplomatic sensitivities made him a landmark first at the Sheraton Park and later at the Sheraton Carlton Hotels. One can genuinely say that whatever gathering, celebration, or meeting, whether formal or informal, was planned and handled under Mr. Carey's direction was a major event for all who participated.

I do not know how Charles Carey managed to do so many things so well for so many people. But I believe that nearly every Member of this body will join Mrs. Humphrey and me in trusting that he will continue to share with us his fine vision of a better tomorrow and his empathetic understanding of individuals and cultures.

PROGRAMS FOR THE HANDICAPPED

Mr. DOLE. Mr. President, I have spoken many times in this body regarding the problems, needs, and potential of the handicapped. It is my intention to continue to do so because the need is great for attention to the plight of the handicapped in America, and also bebecause it is our nature to need reminders periodically of the continuing nature of this need. It is not a situation that can be ignored now that we have passed the Rehabilitation Act of 1973 which, among other things, provided for the new Office for Handicapped Individuals—OHI—in the Department of Health, Education, and Welfare.

NEW DEVELOPMENTS

Today I want to talk about some of the activities of the OHI. One of the requirements of the Rehabilitation Act of 1973 was the establishment of a central clearinghouse for information and resource availability for handicapped individuals. Such a service is very much needed, and is vital to any long-range, overall program to fully utilize the substantial resource represented by handicapped Americans.

There presently exists a large amount of information and expertise that is potentially of great value to the handicapped—if they are aware of it and can avail themselves of it.

But therein lies a basic problem. Much, if not most, of this valuable assistance has been developed by separate groups or organizations working separately—often privately or voluntarily financed—with no structure for coordination or even communication. Consequently, the handicapped individual has no easy way—in fact, no way at all in some instances—to find out what assistance is even available, much less take advantage of it.

CONTRACT FOR CLEARINGHOUSE

So the central clearinghouse is of primary importance. It was the subject of bills I introduced in the last three sessions of the Congress and which led to its inclusion in the Rehabilitation Act. Consequently, I am most happy to be able to report that the OHI has just issued a request for proposals for the development of the clearinghouse information system. This proposal solicits bids by April 4 to design a clearinghouse system and report on existing information which will be responsive to the requirements of the Rehabilitation Act. It is my understanding that the system is to be in operation by a year from this coming June. Admittedly, this is still a long way off, and that does give me cause for concern.

On the other hand, I have been assured that the implementation of such a comprehensive and extensive program must require considerable time to assure its quality and permanence. Since that is our goal, a year may well be appropriate.

EXTENDED TIME FRAME

But this brings me to a related issue which does not present as bright or promising a picture. Another requirement of the Rehabilitation Act was for a submission to the Congress of a long-range projection for the provision of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals. The date for this submission—18 months after enactment of the Rehabilitation Act—is March 26, 1975, just a few days from now. But I am told that the OHI will request an extension of time for this submission—though I have been unable to get a definitive statement from them. This is a serious matter because the material to be submitted would offer the Congress the opportunity to review needs and options and provide some legislative guidance and priority to these programs.

I hate to try to evaluate the long-range relative importance of the report to Congress versus the establishment of the clearinghouse system, but it seems obvious that not even an equal priority and urgency was assigned this report as was given the clearinghouse program.

I am very disappointed that we in the Congress must delay our analysis and deliberations because of a failure of the OHI and HEW to meet the legislated timetable. I would hope that it is not necessary for us to legislate further to express our interest and sincerity in our previous legislation, but rather that HEW and OHI will take note of our interest and so organize and order their operations as to meet the priorities we have established. To this end I have written to the Secretary of Health, Education, and Welfare and ask unanimous consent that a copy of that letter be printed in the RECORD to emphasize our interest, and to encourage the active participation of my colleagues in monitoring and encouraging this program.

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

U.S. SENATE,
Washington, D.C., March 13, 1975.

Hon. CASPAR WEINBERGER,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: It has recently come to my attention that your Office for Handicapped Individuals is experiencing difficulty in meeting the reporting deadline contained in Sec. 405(a)(1) of Public Law 93-112, the Rehabilitation Act of 1973. Specifically this deals with the submission of a long-range projection for provision of services, research, evaluation and training for handicapped individuals.

As you know, I have a personal, continuing interest in the programs and needs of the handicapped. Consequently, I have initiated contact on several occasions with the OHI to inquire as to progress under P.L. 93-112 and to offer any help that might be appropriate. It is disturbing to learn at this late date, only days before the deadline and 18 months after work was to start, that there will be difficulty in providing the comprehensive report that we envisioned when

enacting P.L. 93-112 and the 1974 Amendments.

Please be aware of both my continuing interest in the progress of your efforts and my strong feeling that the projections described in Sec. 405 are of utmost importance to the work of the Congress to further programs for the handicapped.

I hope you will feel free to advise me from time to time on your efforts, and any problems those efforts face, in meeting the needs of handicapped Americans.

Sincerely yours,

BOB DOLE,
U.S. Senate.

CLOSER COOPERATION WITH EUROPEAN ALLIES IN MILITARY RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, I wish to report on further developments involving the subject of closer cooperation with our European allies in military research and development. On December 19, 1974, I addressed this subject and discussed the results of a trip made by a staff member of the Armed Services Committee and inserted his trip report, which appears on page 41293 of the CONGRESSIONAL RECORD for that date.

I also included in the RECORD at that time a copy of a letter addressed to the Secretary of Defense, which transmitted the trip report and requested specific comments be provided on each of the items covered. The Director of Defense Research and Engineering replied on February 21, 1975, and provided the requested comments on each item in the trip report. Much of the information provided is classified. However, at my request the Department of Defense has deleted the classified portions of their response and the unclassified portion can now be released. I ask unanimous consent that the subject letter and attachments be printed in the RECORD upon the conclusion of my remarks.

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

(See exhibit I.)

Mr. McINTYRE. Mr. President, the information provided will have particular significance in the review of the fiscal year 1976 authorization request for the Department of Defense research, development, test, and evaluation appropriations. This review is now being conducted by the Armed Services Subcommittee on Research and Development, which it is my privilege to chair.

I have reported previously on the significant breakthrough in cooperation with our European allies as represented by the selection of the French/German developed Roland II short range air defense system by the U.S. Army.

I will continue to exert my efforts toward broadening our cooperative efforts and will report to my colleagues periodically as significant progress is made.

EXHIBIT I

DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING,
Washington, D.C., February 21, 1975.

Hon. THOMAS J. McINTYRE,
Chairman, Subcommittee on Research and Development, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Attached are Department of Defense responses to the action items requested in your letter, dated 4 November 1974, regarding Mr. Hyman Fine's European trip report.

MALCOLM R. CURRIE.

Page 4, Para d(1)—Pegasus 11 and 15 Engines:

(U) A Joint Anglo-American Study Group for an Advanced V/STOL Aircraft and Engine has been formed. The senior members are Mr. D. J. Harper, Procurement Executive, Ministry of Defense, United Kingdom and RAdm R. S. Miller, Naval Air Systems Command, United States. The Twelfth meeting of the Group was held November 19-21, 1974 and industry representatives were in attendance. The Department of Defense continues to retain its interest in these engines but we have not made a decision. At the present time we feel that the Study Group represents a proper forum for us to continue our discussions of vectored thrust V/STOL efforts. It should also be noted that the Study Group has been briefed by various members of industry and that information gained therefrom will have an appropriate impact on any recommendations made by the Study Group.

Page 4, Para d(2)—Ramjet:

During the past two years U.S. interest has been rearoused in the potential usefulness of ramjets for supersonic propulsion of tactical and strategic cruise missiles to longer ranges. A substantial technology base effort has been undertaken to improve the performance capabilities of ramjet engines (especially their volumetric impulse capacity) and to reduce their cost. This program was directed first toward the application of current materials, aerodynamic knowledge, propellants, internal ballistics, and combustion technology to ramjet engines—areas which had fallen far behind—their potential during a period of ten years of very low level U.S. support for ramjet research and technology. This catch-up phase of the DoD activity is now largely complete.

At the Exploratory Development level work on more advanced technological concepts is now active in both the Navy and the Air Force. Further, advanced ramjet propulsion is under active study by both the Navy and the Air Force. At least some of these studies are expected to lead to demonstration flight test programs and possible future missile system applications during the next several years.

Page 4, Para d(3)-RB 199:

The USAF has selected the YF-16 for its new fighter program and does not plan to continue development of the YF-17 aircraft. In view of this, it would appear that the only possible need for the RB 199 in the YF-17 would be in the case the European community would desire to buy the YF-17 with the RB 199.

Although the engine is funded for the MRCA, it is still in development and is presently qualified for initial flight testing.

Page 4, Para d(3)—Marine Gas Turbines:

Mr. Fine's recent trip report discusses two possible collaborative programs in the marine gas turbine area. The first refers to the Spey TF41 with Allison and Rolls Royce and the second refers to a possible joint program to reduce the SFC of the marinized Olympus 593.

The U.S. Navy Advanced Development program which is developing a family of gas turbine engines to meet future non-nuclear power requirements of Navy ships has a requirement for an engine development in the Spey TF41 power class. Present plans call for initiating this engine program in FY 76 and it would appear that a collaborative program based on the TF41 Spey is a very good possibility. The TF41, however, is an old engine and would have to have its level of technology increased if it were to be considered for use several years in the future.

Page 6, para d(3)—Lasers:

The Air Breathing Gas Dynamic Laser (ABL) offers some potential advantages.

Army is supporting the ABL development.

We understand that General Electric Corporation, one of the Army's ABL contractors, is exploring some possible areas of mutual benefit with Rolls Royce in the ABL field. We will continue to monitor the Rolls Royce ABL effort and, if it develops into something of mutual benefit, we will certainly pursue a technology exchange arrangement.

Page 4, Para e—Seawolf:

The Seawolf Missile System is not unlike the equivalent U.S. system derived from the Target Acquisition System, the NATO Sea Sparrow Fire Control Radar and Launcher, and the Sea Sparrow Missile.

The Seawolf is expected to complete its sea trials and enter RN service this year. The NATO Sea Sparrow is in production, TAS is currently undergoing OPEVAL, and the Sea Sparrow Missile is operationally deployed. The AIM-7F surface variant is expected to be operational in 1978. Because of the similar development and production status of the two systems and their comparable weight and performance characteristics, it is unlikely that any benefit would accrue from a joint U.S./U.K. effort on the Seawolf system. However, ODDR&E plans to conduct a more detailed system assessment of Seawolf during 1975 to better compare its performance characteristics with existing and proposed short-range shipboard weapon systems.

Page 5, para e(2)—Skua:

The Lamps MK III mission requirement is beyond the capabilities and possible growth potential of the Lynx.

In addition, after early considerations of the potential applications of the Skua missile for USN Lamps operations, it was determined that the Skua missile did not offer sufficient advantages to the USN to warrant a joint development effort.

Page 5, Para f(1)—Netherlands R&D:

According to the Defense Attache at the Dutch Embassy this statement is not entirely accurate. It is true that an interagency committee is no longer funding new R&D projects; however, the MOD is continuing to share in the funding of previously approved ongoing projects. (Such interagency arrangement required that the MOD, Ministry of Economics, and the contractor each share one-third of the project cost.) Contract R&D (both in country and abroad) is continuing to be funded primarily through each branch of the armed services, e.g., Army contract with FMC in US for armored personnel carrier.

Page 6, Para. f(3)(b); Page 11, Para. n (3)—Ajax:

The NATO Naval Armaments Group, AC/141 (PG9) is the NATO focal point for the close-in Weapons Systems. They are looking at the Vulcan/Phalanx in both the U.S. 20mm version and the Canadian 30mm version as well as Ajax. The initial operational evaluation of the Vulcan/Phalanx system was completed earlier this year and procurement of the production prototypes was initiated. The U.S. is conducting additional firings this fall against more representative threat missiles including some at sea-skimming altitudes. The outcome of these tests will be available for consideration by PG 9 in early 1975 to assist them in formulating a joint position of short-range self defense gun systems and enable them to make recommendations for NATO standardization.

Page 6, Para. f(3)(e)(1)-(5)—VSR/ADS:

Para (e)(1)—The US is committed to the development of Phalanx CIWS in its present configuration. Phalanx development commenced more than two years prior to the creation of PG-9.

Because of these considerations and the need to minimize cost while providing the earliest feasible fleet introduction, no major up-gunning is planned prior to the comple-

tion of the present ongoing Tactical Missile Test (TMT) program.

Para e(4)—See answer to Para (e)(1) above.

Para 4(5)—Guns provide the terminal defense and are designed only to handle those incoming air targets that "leak" through the other defense systems.

Page 7, Para i(1)—Maverick:

Page 8, Para k(1)—Zelar Fuze:

The U.S. Army currently has no official requirement for a single multi-option fuze (point detonating, delay, proximity) for field artillery howitzer ammunition to replace other current or developmental fuzes, however, such a fuze would simplify firing procedures and, by reducing the number of fuze types being manufactured, simplify logistics. [The U.S. Army conducted tests of the multi-option Zelar fuze in 1974 with the objective of determining the suitability of the fuze for use by the U.S. Army. These tests consisted of two separate firing tests in Sweden and laboratory tests at HDL (electronics and ECCM) and Picatinny Arsenal (mechanical and EOD). These tests led to the following summarized conclusions:

The current cost to the Swedish Army of the basic Zelar fuze is approximately $100. Cost estimates for production in the U.S. are not available, although Bofors is said to be investigating the possibilities.

Firing performance in Bofors Proving Ground weapons was creditable.

The results and evaluation of the U.S. Army testing of the Zelar fuze are being reviewed by the U.S. Army. Final DA and DoD review will determine what, if any, Army testing of the Zelar fuze is being required.

Page 9, Para k(2)—RBS 70:

The RBS–70 is an anti-aircraft missile similar to STINGER and STINGER Alternative.

The U.S. is following the RBS–70 and attempting to get as much information as possible to determine where possible duplication exists and where a cooperative arrangement would be beneficial.

Page 9, Para k(6)—155 Howitzer Tube Liners:

In October 1969 ARMCOM (Watervliet Arsenal) expressed interest in the Swedish (BOFORS) development of a cannon tube, loading mechanism and breech mechanism for the L–50 Howitzer. In October 1970 ARMCOM submitted a modified request to AMC for a BOFORS cannon tube with floating liner and outer jacket and a breech mechanism. Justification for this request was that ARMCOM felt the Swedish concept was worthy of detailed investigation and had possible application of a modified version in the XM–198 and/or the improved 8" Howitzer. The Swedish tube assembly weighed approximately 10,000 pounds and proved too heavy for either of the systems considered. In August 1973 Sweden (BOFORS) stated that no 155mm tube for the L–50 gun was available for sale; however, manufacture of the gun barrel was expensive and delivery time would be from 26–28 months, and they stated it was not feasible to supply a barrel. In November 1973 Sweden offered the US a set of drawings for $250,000. AMC and ARMCOM felt that $250,000 was too much for a set of drawings and was, in fact, far in excess of previous data exchange purchases; thus, the offer was declined. The refusal of the offer was based solely on the price of the drawings. ARMCOM still has a technical curiosity in this development even though there is no immediate application for the principle, however, the cost remains prohibitive.

Page 9, Para 1(2)—Barracudaverken:

With regard to the progress of the proposed Barracudaverken turn key program, the Army Material Command and MERDC have been apprised of the situation. To date there has been no official communication containing a Barracudaverken proposal.

A pre-bidders conference on the multi-year buy of camouflage nets was held in early December 1974 at Orlando, Florida. Barracudaverken requested a bid package and paid the required $500 deposit fee. Two Washington based representatives of Barracudaverken attended the conference; however, no proposals have been received as of this date. The contract will be awarded in April 1975 and be based on open competitive bidding. Barracuda will be fully eligible for bid participation and contract award.

Page 10, Para 1(4):

With regard to the situation involving Barracudaverken, Dow Chemical, and Brunswick, two camouflage net contracts have been awarded to date:

Limited Production Contract—This was a sole source contract as directed by HQDA (Ref Attachment, para 6)

Material Methods and Technology (MM&T) Contract for production tooling, which included the following:

(1) Review of Contractor Selection Procedures which is contained in para 1–5 of the Attachment.

OASA(I&L) has been informed by a representative of Barracudaverken that a law suit may be initiated involving claims of patent infringement. However, a check with OJAG indicates that no action of this nature has been received to date. The Army will continue to closely monitor this situation.

MEMORANDUM FOR RECORD

Subject: Review of Contractor Selection—Camouflage Screen System.

1. MM&T Proposal Evaluation Committee:
James R. Carney, Chairman, CS&T Div.
David L. Gee, CS&T Div.
Bascom N. Faulkner, O&P Div., PMSO.
Vincent Falchetta, Prod. Engrg. Div.
Fred L. Lafferman, Mat. Engrg. Div.
1Lt. Richard M. Patchin, Mil. Engrg. Div.
Paul Tauchet, Mat. Engrg. Div.

2. Evaluation and Award Factors (MM&T):
a. Adequacy of technical approach, 50%.
b. Ability to manage the contract, 30%.
c. Period of time required to complete the work, 30%.
d. Experience in the fields of endeavor and physical plant facilities, 30%.
e. Total cost to the government of work under the proposed contract (Phase IA), 20%.
f. Additional information on estimated cost of start up and pilot runs, 20%.

3. Prospective contractors (MM&T) in order of technical merit:

Brunswick Corporation, Tech acceptable as found by Tech Eval Committee.

Uniroyal, Inc., Tech acceptable as found by Tech Eval Committee.

Gord-Gatx Corporation, not acceptable technically.

Dow Chemical Company, not acceptable technically.

Vallura Corporation, not acceptable technically.

4. Negotiations were conducted with all prospective contractors for the MM&T program on the insistance of the Chief of MERDC Legal Office.

5. There were no violations of the Armed Services Procurement Regulation in the solicitation and award of the MM&T contract to Brunswick.

6. The Limited Production Contract was negotiated with Brunswick Corp under the authority of 10 USC 2304(a)(10) sole source as indicated in the approved Advanced Procurement Plan. Technical evaluation was performed by MAJ F. Maksimowski. There were no ASPR violations in the award of the LP contract.

7. The Multi-year Procurement, presently being solicited by Troscom, is a competitive negotiated procurement, and, as such, under the terms of ASPR, is limited only to those firms that have the ability to perform regardless of location (i.e., Barracuda, Brunswick, Dow, et al).

Page 10, Para m (1)—Flakpanzer:

The Flakpanzer will be considered as one of the candidates in the DSARC I decision for approval of a competitive feasibility test of new air defense gun candidates.

Page 10, Para m (2)—Oerlikon 35mm and Bofors 40 mm:

Page 10, Para m(4)—Bushmaster:

The Bushmaster program never envisioned using a 35mm round. The requirement was for a 20–30mm round, and the Philco-Ford Bushmaster candidate was a 25mm weapon. Therefore, the round in question has apparently mistakenly been identified as a 35mm round.

Mr. Richard Knapp, marketing manager for Philco-Ford states that they are licensed for US/Canadian production of the TRW gun and Oerlikon ammunition only for use in the Bushmaster role. Additionally, Philco-Ford has purchased Oerlikon 25mm ammunition for use in the Glaads system which has two Bushmaster guns. TRW was advised of this, and approved its use since they were for use in the Bushmaster guns. According to Philco-Ford, Oerlikon sold the ammunition with full knowledge of its intended use on the Glaads system. Oerlikon was also offered the opportunity to observe the Glaads firing tests at Yuma. Thus, Philco-Ford is unaware of any problem with respect to the Oerlikon ammunition, and it does not appear that the Army is involved in any improprieties.

Page 11, Para n(4)—35mm Proximity Fuze:

Motorola is in its second year of engineering development of the 35mm fuze under a contract with Telefunken and approved by MOD FRG. The first year was a conceptual study with trade-offs being performed. The second year consisted of continuation of the study and a preliminary breadboard. A prototype will be built in mid-1976 using discrete circuit components for a 76mm fuze which will be tested in FRG. A 35mm hybrid circuit design will be completed by the end of 1976 which will fit the Oerlikon 35mm shell. Large scale integration circuit deliveries are planned for mid-1977 and will be of a production design by the end of 1978. This production design will be fully tested and full-scale production is anticipated in 1979.

The licensing situation at the present time is that no technology transfer has been involved and the study clearances have been obtained at State Department and DoD. Although FRG is paying the R&D costs, Motorola will receive full licensing rights to produce this system in the United States. DoD is closely monitoring the progress made on this program for potential application to US requirements.

Page 11, Para n(5)—SAM–D:

Evolutionary improvements to Improved Hawk are being pursued by the U.S. as well as in NATO by France as part of a CNAD agreement.

Page 13, Para 6(p)—VAK–191B:

The present test program is very successful with all original goals within reach. The data being generated is providing a wealth of technical information to both countries and, in particular, is giving the U.S. Navy, NASA, and U.S. Industry an additional data base from which to confidently develop a V/STOL aircraft, particularly one using the lift plus lift/cruise propulsion concept. Continued testing will provide additional valuable information. Of the proposed tasks, five are of particular interest to the U.S. Navy: U.S. pilot participation; non-linear control system evaluation; lift engine door deflection evaluation; aircraft frequency response testing; and lift engine intake distortion survey. The Navy is also interested in expanding testing of the effects of surface treatments. The cost proposed for doing the additional

testing is very high ($413,000/month for aircraft support plus aircraft modifications if required). With decreasing R&D resources and reassessment of USN V/STOL requirements, it is necessary to carefully evaluate spending additional money. The NAVAIR Project Officer went to Germany in late January to conduct discussions with German representatives regarding program results to date and German interests in a continued joint flight testing effort.

Page 13, Para q (2), (3)—Drones:

The U.S. Army has discussed this extended range version of the CL-89 reconnaissance drone with the FRG at the Four Nations Battlefield Surveillance Working Group. The U.S. Army is more interested in ground-controllable Remotely Piloted Vehicles, particularly in Europe where it would be beneficial to steer (remotely pilot) the reconnaissance RPV away from areas of poor visibility. Army and OCD personnel are in contact with Canadian and FRG government representatives regarding these reconnaissance drones.

Page 14, Para q(4)—Sea Kiebitz:

Data on the Dornier Sea Kiebitz have been supplied to cognizant project officers, both in the Office of the Chief of Naval Operations and the Naval Air Systems Command.

The Center for Naval Analysis commenced the RPV Application Study in January 1975. Phase I of this study will do mission analysis of RPV's for non-aviation capable ships. It will employ the full range of existing and state-of-the-art RPV's both U.S. and foreign, in its considerations. The study will compare the alternative systems for carrying out various ship's missions including surveillance, targeting, ASW, and communications relay. The Sea Kiebitz will be among the systems analyzed in this study for future Navy application.

Page 14, Para q(6)—Alpha-Jet:

The U.S. has been following with interest the cooperative development and flight tests of the Alpha Jet; however, we have not as yet performed a flight test evaluation. At the present time we do not see a requirement or potential application to the U.S. force structure. The Assistant Director, Air Warfare will be visiting Europe this spring and intends to discuss the Alpha-jet development and fly the aircraft in a qualitative evaluation.

Page 14, Para q(7)—Aircraft Guns:

There is little information available on the 27mm Mauser gun/ammo. It is believed that the selection of this gun for the MRCA fighter had political overtures, i.e., FRG agreed to the tri-country development providing they could select/develop the gun and ammunition. We are not privileged to their studies which determined 27mm to be the optimum round. We can only surmise that the caliber was selected to best satisfy the air-to-air and air-to-ground roles without optimizing either. It should be pointed out that the caliber differs both from current OSD policy for medium caliber guns/ammo in the surface and aircraft weapons systems which require 5mm increments (i.e., 20 mm, 25mm, 30mm, etc.) and from European NATO Allies policy of 30mm in the air-to-air role.

The 27mm Mauser is not enjoying a very good development history. Unofficially, we have learned it has severe barrel erosion problems, i.e., barrels would have to be changed after each combat mission. At present the gun cannot fire out the ammunition complement and remain within accuracy tolerances. Mauser is working hard to correct this problem.

Page 15-17, Para r—XM-1/Leopard 2:

The U.S. and FRG have reached agreement on a plan for evaluation of a modified LEOPARD 2 as a competitor in the XM-1 program. A Memorandum of Understanding on this plan was jointly signed by the FRG and the U.S on 11 December 1974. The FY-76, FY-7T and FY-77 RD&E budget request includes funds for the U.S. share of costs for the evaluation and a comprehensive cost/producibility study jointly financed by the U.S. and FRG, in accordance with the MOU.

Page 17, Para s(6)—Armbrust:

The Armbrust is one of the alternative concepts which will be evaluated in connection with the current plan to initiate engineering development in FY 1976.

Page 18, Para t(5)—Supersonic Bombs:

For current use, MK-84 bombs and guided variants such as EOGB and LGGB have been certified for supersonic use. There are also munitions now under development which will provide for supersonic carriage and delivery. For example, PAVE STORM, GBU-2 (Laser Guided SUU-54) has supersonic carriage and delivery capability and is scheduled for a FY 1976 IOC. There are also several current ROCs which state a requirement for weapons capable of supersonic carriage and delivery:

Page 18, Para t(6)—Soviet 130mm Artillery Piece:

Page 19, Para v(3)—Offset Agreements:

The approach of negotiating an overall offset agreement with the U.S. to include not only military equipment but also military related equipment such as commercial aircraft engines is a valid concept that already is a part of U.S. offset agreements with individual countries, e.g., the FRG, and a part of our BOP offset accounting system on a multilateral basis. The key factor in whether a commodity purchases through commercial channels should be counted is, whether it is obtained for military use. If batteries, tires, electronics equipment, computers, or commercial aircraft engines or spare parts are purchased through commercial channels for military use, under our current agreed concepts and accounting systems they would be counted as offset. If not for military use, they of course would not be eligible. Sometimes it is difficult to obtain complete and detailed import records on which to base a determination. However, NATO nations currently are cooperating in improving our accounting accuracy on this concept.

Page 19, Para v(4)—F-15 Radar:

Page 19, Para v(5)—SAM-D:

Page 20, Para v(7)—Javelot:

The U.S. intends to proceed with France on a joint technology program on the Javelot concept. The program will be funded from the Army technology base. Funds, tasks, and schedules are currently being determined.

Page 20, Para (8)—Matra 550:

French and U.S. representatives met to exchange information on the AIM-9L (U.S. missile now in operational evaluation—FY 76 procurement) and the Matra 550 short range air-to-air missiles in March 1974. At that meeting the French requested information on the possibility of marrying the AIM-9L seeker (which evidently they prefer over their own) to the Matra 550 in order to obtain a common missile. The French representatives were advised that any such request would need to be handled through regular channels. We have not received such a request. The French were also advised that the probability of obtaining a common missile in this manner was low for two reasons: (1) advanced status of the AIM-9L program prohibited such major changes and, (2) technical advantages were not evident.

Page 20, Para V(9)—Lynx:

Additionally, Navy studies cast doubt on the claimed Lynx cost advantage. The UTTAS, although larger, has been designed under a rigorous design-to-cost philosophy and is expected to be produced in quantity for the Army. The UTTAS advantages of quantity production base and Army/Navy logistics commonality are projected to make Lynx airframe little if any less expensive on a life-cycle basis unless Congress were willing to authorize procurement of Lynx airframes directly from the British and French. Even in this event, the cost difference would be only a small fraction of total program life-cycle cost, while the effectiveness difference would be great.

Page 21, Para 7—Technology Transfer:

Secretary Schlesinger and Dr. Currie both strongly support a vigorous effort in international cooperation in research and development. Operating through the NATO organization, the Secretary—in the NATO Ministers meetings—and Dr. Currie—at the Conference for National Armaments Directors, Four Power Principals meetings, and through bilaterals are continuously pressing our initiatives for cooperation in R&D and standardization.

Dr. Currie will specifically address this issue in detail in his Posture Statement in Section X and offer discussions in detail which outline the present situation in NATO; state the actions we are taking; and present concrete example of progress and some specific initiatives he intends to press.

NEEDED: ACTIVE INVOLVEMENT

Mr. WEICKER. Mr. President, how we respond to the growing concerns of this Nation, and the entire world—the energy crisis, the economy, food shortages, and so forth—requires active involvement by all people of the world.

C. Peter McColough, chairman of the Xerox Corp., in his 1974 annual report, states what he considers to be the necessary response we must make to these problems. He has eloquently expressed what needs saying. I hope it will get many Americans out of the stands and onto the field of play. Mr. President, I ask unanimous consent that the full text of his article "Involvement" be printed in the RECORD.

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

INVOLVEMENT

As troubling and as serious as recent events have been in our world, I find myself at the moment equally concerned about the reaction of people—and particularly of young people—to those events.

All of us have been pounded and pummeled by crisis after crisis during the past few years . . . inflation, the energy problem, shortages of food and raw materials, the terrible Watergate episode, and now a recession.

And how do we respond? How *can* people respond?

Most, I think, look first to the leaders of their institutions . . . to the heads of government, business, labor, education. But the credibility of leadership these days just isn't very high. And, in some ways, understandably.

People are told almost daily, for example, of great conferences to address worldwide food shortages, control of the oceans, energy supplies, and the international monetary and economic issues that are dividing the world. Such blue-ribbon symposia lead us to expect progress, despite the enormous complexity of the issues.

Yet too few have in fact yielded answers, action or a common direction.

The net result, in my opinion, is a widening distrust of leadership . . . and a deepening suspicion that candor and perhaps even conviction are being obscured by an endless search for expedient solutions.

That suspicion—that quality of distrust—is what worries me most because it not only leads governments to be narrowly nationalistic . . . it also tempts individuals to say,

"I'm just going to live my own life and not worry about anybody else." It creates spectators at a time when spectators are what we least need.

Yet the simple fact remains that we cannot expect leadership to step up to problems if we, as individuals, are trying to turn away from them. People, particularly during crisis, must be *more* involved, not less. And if they are, they can demand and get the candor they deserve and the conviction they expect.

The choice is ours as individuals, and 1975 looks to me like an important year to make it.

C. PETER MCCOLOUGH,
Chairman.

COMMITTEE URGES PUPFISH PRESERVATION

Mr. CRANSTON. Mr. President, on January 15 I introduced S. 70, to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada.

I am now pleased to report a new organization: "Save Our Pupfish," in care of the Southern California Ecology Center, Box 24388, Los Angeles, Calif. 90024. Its President is Nancy Pearlman, director of the center; vice president is William E. Warner, of Arleta, Calif.

This new effort is spearheaded by two of the greatest friends of wildlife in this country: Buela and Tasker Edmiston, of Los Angeles. The Edmistons are ardent and eloquent advocates of wildlife preservation, and I warmly welcome their sponsorship of this important cause.

CORONATION OF KING BIRENDRA OF NEPAL

Mr. PERCY. Mr. President, I recently returned from a visit to Nepal where I attended the coronation ceremonies of His Majesty King Birendra Bir Bikram Shah Dev as a representative of the President. Our delegation, headed by Mr. Philip W. Buchen, Counsel to the President, and consisting of Ambassador to Nepal William I. Cargo, Congressman L. H. FOUNTAIN, North Carolina; Assistant Secretary of State for Public Affairs Carol C. Laise, Mr. James E. Brown, Utah; Mrs. Marquita Maytag, California; and Ambassador to Niger L. Douglas Heck in addition to myself, returned from the 3 days of official celebrations February 23–25, extremely impressed with the development progress Nepal has achieved and the superb organization which characterized this occasion.

This small land-locked country of approximately 12 million people lies nestled along the Himalaya mountains between India and China. The Nepalese who are fiercely proud of their own unique traditions, impressed upon us their determination to preserve their independence and sovereignty and to make progress toward overcoming their challenging developmental problems. The U.S. delegation stressed our continuing interest in good relations with Nepal and our support for Nepal's independence and developmental progress.

In a speech before the distinguished representatives of 57 countries, King Birendra took the opportunity to reiterate his concern for peace as a prerequisite to Nepal's economic and social development. We assured him that this is our own goal and that our primary interest in South Asia is peace and stability, which we see as essential for the area's continued development.

The 29-year-old King faces a difficult task in overcoming centuries of isolation on the one hand and the effects of international economic dislocations on the other, but he recognizes the task and has committed himself to moving his country forward. In order to do this, he has set as one of his top priorities improvement of Nepal's education system and the reduction of illiteracy. We should commend him on his farsightedness in channeling his country's resources and energy in this field which will have long-term beneficial implications in every other area of Nepal's development. His efforts deserve our support and encouragement in the years ahead.

I ask unanimous consent that three addresses given on this occasion, the first by Prime Minister of Nepal Rijal, and two by King Birendra be printed in the RECORD.

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

(Unofficial Translation)

PRIME MINISTER RIJAL'S SPEECH, FEBRUARY 24, 1975

[Delivered on the Tundikhel Kathmandu]

Your Majesty,

On this historic day and in the midst of nationwide jubilation we, the people of Nepal, feel proud and privileged to have this opportunity of witnessing Your Majesty graciously bedecked with that resplendent Crown, which has always been the traditional symbol of our national unity, sovereignty and independence. On this day we seek Your Majesty's gracious permission to extend to Your Majesty our loyal greetings and felicitations.

All of us owe a deep debt of gratitude to the Kings of the Shah dynasty who have in every moment of crisis conferred on the country correct and just leadership. Unification of the country, introduction of democracy and initiation of the partyless Panchayat System of democracy, so neatly tailored to the needs of the country,—all such steps of far-sighted wisdom and decisive importance were taken by Your Majesty's illustrious forbears. Blazing new trails in that noble tradition, Your Majesty is now fully and firmly resolved to unleash the mainsprings of national development in order that a new era of happiness and prosperity may dawn upon your beloved people. We shall, therefore, remain ever grateful to the scions of the Shah dynasty for the profound contributions they have made to the preservation of this country's nationhood, independence and sovereignty.

Your Majesty's rise in the new horizon of this ancient country has been in the form of a splendid blaze of light. After finding out and treading on the right political path, the question of paramount importance facing the country was that of development. In this context, the firmness and self-confidence with which Your Majesty has shouldered the great responsibilities of national development and has squarely faced all challenges, have heightened the moral courage and strengthened the self-confidence of each and every Nepali. We are willing and ready to make every sacrifice so that the steps taken by Your Majesty along the path of national development may be fruitful and effective.

Garbed in different costumes, speaking diverse languages, observing various social customs, and holding different religious faiths, we, the loyal subjects of Your Majesty, are scattered in the various parts of the country from Mechi in the east to Mahakali in the west. Nevertheless, this country has no history of bloodshed and violence springing from sectarian differences. All through the history we have been living together in love and affection as members of one family, respecting one another's religious beliefs and social values. The whole credit for this happy and harmonious state of affairs goes to Monarchy, the only political institution which has proved an unfailing source of leadership for the furtherance of the cause of national unity and solidarity. The King being common to all, a citizen, no matter where he lives, feels that he is enjoying the blessings of his invisible presence.

Sacrificing all personal comforts for the sake of public welfare, Your Majesty has taken on your broad shoulders the formidable burden of the country with deep solicitude. Every citizen of the country knows how anxious you are and what pains you have been taking to promote the happiness and well-being of your beloved people. They are also fully aware of the indomitable patience with which you are facing the challenge. Indifferent to the inclemencies of weather and heedless of all kinds of inconveniences, Your Majesty has travelled door-to-door even in the least accessible part of the country, bearing the inspiring message of national development. Your Majesty has issued the clarion-call for regional development in the interest of the balanced growth of all parts of the Kingdom and has emphasised the need for the just and equitable distribution of national investment. As a result of Your Majesty's right efforts in this direction, our country will no doubt succeed in achieving its goals before long. In order to accomplish the big, nationwide development campaign, set in motion by Your Majesty, we, the people of Nepal, pledge that, we shall dedicate whatever skill and strength we have to the service of the country with heart and soul, steadfastly following in your footsteps.

From time immemorial our country has been justly famous as the inexhaustible storehouse of Art and the meeting point of different cultures. Complete religious tolerance and unparalleled harmony of thought are the two outstanding factors that have gone into the making of our common cultural heritage. From the early days of civilization the standards achieved by our artists in both its graphic and plastic forms, have won wide acclaim, both within and beyond our national frontiers. Inscriptions in stone and bronze, testifying to the glories of our ancient art and culture, are extant even now in sufficient quantity. While maintaining this perpetual flow of our national culture in the most dynamic form, the Kings of the Shah dynasty have through their Royal patronage brightened our cultural heritage, with the result that our country now holds a place of pride among the art-lovers and orientologists of the world.

The signal contributions made by Your Majesty to the conservation and cultivation of literature, art and science have won universal commendation. Under the patronage of Your Majesty the art societies along with the artists of different schools are busy producing objects of art in a fresh burst of creative impulse.

The proclamations, messages and speeches, delivered by Your Majesty from time to time, have ever been correct guide-lines for directing the public life and other business of state on the right lines. Your Majesty's serene personality, which combines simplicity with single-minded devotion to duty, lights our path like a beacon. Moved by the deep-felt desire to introduce certain changes in our

partyless Panchayat system of democracy so that it may be more closely attuned to the needs of the hour and the wishes of the people, Your Majesty has only recently appointed a Royal Commission. Under Your Majesty's dynamic leadership and political guidance our partyless system will continue to gain maturity from day to day and will prove a more and more efficient tool of nation-building. The State visits to the friendly countries, so successfully undertaken by Your Majesty, the active participation in the summit conference of the non-aligned countries by Your Majesty and the interviews to the eminent journalists of Nepal and the world granted by Your Majesty with such wisdom and insight, have helped project the correct image of Nepal on the stage of the international world.

On this grand national festival of the glorious Coronation today we, the people of Nepal, Your Majesty's loyal subjects, pray to Shree Pashupatinath, Shree Guhyakali and Shree Bajrayogini that the glory and grandeur of Your Majesty's name and fame may spread to the four corners of the world and that Your Majesty's prosperous reign may remain firmly rooted till Eternity. We humbly and respectfully extend our loyal greetings and goodwishes with the fervent hope that Your Majesty may be pleased to accept them.

With expressions of loyalty and devotion on behalf of the entire people of Nepal.

Darbar Mandir, Tundikhel, KATHMANDU, Monday, 12th of Phalgun, 2031, (February 24, 1975).

(Nagendra Prasad Rijal),
Prime Minister.

KING BIRENDRA'S SPEECH, FEBRUARY 25, 1975

(Delivered at the Royal Palace)

DISTINGUISHED FRIENDS: Ceremonies have occupied much of my time, and I have not even had the opportunity to tell you how deeply we appreicate your friendly gesture in coming to Nepal to participate in our Coronation. We celebrate this occasion as an event symbolising our national unity and historical continuity. Your distinguished presence has, on doubt, deeply gratified us. It is an added evidence of the goodwill and friendship that you have for my people and my country.

May I take this opportunity to assure you that this nation gratefully remembers and warmly reciprocates your feeling of friendship and co-operation, so generously extended to us in our time of rejoicing as well as in our time of need.

Nepal is a small country placed among the highest mountain-chains in the world. Our land covers tracts that are both tropical and temperate. Most of our people are engaged in agriculture as a way of life. Some of our countrymen still lead a pastoral life while others in the cities and towns are beginning to take to an industrial age. For its size Nepal presents an extremely varied picture of people and topography.

Tenacity, courage and simplicity, together with an inborn sense of independence that we have enjoyed since the beginning of our history, characterize our way of life. However varied the face of our land, we are a united people with a common historical experience, confidently looking to the future with hope and determination. Our land provides the visitor with a continual surprise of change and contrast, of richness and beauty. Its panoramic beauty has, since the time immemorial, attracted sages and seers as it does attract modern explorers and tourists. The nature of our land has enabled us, the Nepalese, to weave an enduring fabric of life that is based on peace, concord and harmony.

Since 1951—which provides a watershed in our history—we made experiments with different forms of government. We discovered that, however good a polity be, it cannot take root without some germinal seed in the tradition of a native culture. Nepal has been independent throughout history. It has never been a colony of any country and it has little experience of adopting a system alien to it. Naturally, therefore, when we tried to imbibe a system, root and branch, imported from abroad it was difficult to harmonize the need for order with the need for change. As a result, we faced a crisis of identity. It was this transitional feature as well as geopolitical compulsions which led us finally to the road of partyless Panchayat System of government. It is not only indigenous and democratic, but also the Nepalese variant of a people-based system of government. Its evolution is dictated as much by our historical experience as by our culture and geography. Under the system, Nepal is socially and politically awake and is moving into an era of equal opportunities for all with a readiness to embrace suitable reforms.

In our system the day-to-day administration of the country is entrusted to a Council of Ministers headed by the Prime Minister. We have a national legislature known as the Rashtriya Panchayat which consists of people's representatives elected from all districts of the Kingdom. We have also an independent judiciary. Public participation in our polity can be measured by the fact that in Nepal there are about four thousand village councils which locally manage their own affairs. At the national level, we have a Planning Commission when, together with the National Development Council, devises development strategies and evaluates programmes.

If the creation of a modern infrastructure, political as well as administrative, has taken some years, we have never lost sight of our goal or creating a viable economic order in the country together with the need for distributive justice and social reforms. My august father enunciated a New Legal Code which has enabled every Nepalese to see the light of social norms infused with human dignity. The land reforms carried out under the Panchayat system have brought tiller participation in rural development closer to reality. A New Education Plan seeks to combine the acquisition of skills, attitudes and ideas with actual application. The Plan also tries to elevate the quality of teachers and taught alike, and seeks to improve the living standards of our people in general.

In the past twenty-five years, we have built more roads and bridges, generated more electricity and constructed more schools, factories and buildings than ever before in our history. For investing our resources more equitably, we have established four development zones on a geographic basis. We are slowly, but surely, moving out of a purely agricultural economy to an economy of self-sufficiency based on small-scale industries and diversified trade. Nevertheless, we are far behind in the global endeavour for economic advancement, which in the last quarter of the twentieth century represents the focus of national endeavour of every country in the world. For us development has thus an urgency and a compulsion not felt elsewhere. Our strategy is to bring about development largely through the mobilization of our own resources, supplemented where necessary by international co-operation. These tasks call for a condition of peace.

As heirs to one of the most ancient civilizations in Asia, our natural concern is to preserve our indpendence—a legacy handed down to us by history. The absence of peace will delay, make more difficult and even deform our development, just as a world without peace will jeopardize our traditional independence. As we are a peace-loving people, we seek to work for peace, not in isolation from the rest of the world, but in collaboration with the whole world. I can assure you that Nepal harbours no ill-will or any unfriendly feeling towards any country in the world. We take pride in the fact that we have close and cordial ties of understanding with our neighbours. If our relations with India have been deep and extensive, our relations with China have been equally close and friendly, consistently marked by understanding of each other's problems and aspirations.

We adhere to the policy of non-alignment because we believe that it brightens the prospects of peace. We need peace for our security, we need peace for our independence, and we need peace for development. As a matter of fact, Nepal in the past had signed formal peace and friendship treaties with both our friendly neighbours. And if today, peace is an overriding concern with us, it is only because our people genuinely desire peace in our country, in our region and everywhere in the world. It is with this earnest desire to institutionatise peace that I stand to make proposition—a proposition that by country, Nepal be declared a zone of peace.

We believe that only under a condition of peace will be able to create a politically stable Nepal with a sound economy which will in no way be detrimental to any country. I also wish to declare that in making a proposition for the one of peace we are not prompted out of fear or threat from any country or quarter. As heirs to a country that has always lived in independence, we wish to see that our freedom and independence shall not be thwarted by the changing flux of time when understanding is replaced by misunderstanding, when consciliation is replaced by beligerency and war. It is with such a perspective view of the future that with the help of our friends we seek peace.

Distinguished friends, if I have taken the opportunity of your presence here to relate something of what we in Nepal are doing and intend to do in the future, I hope you will understand us as friends. Your visit to Nepal has furthered the bonds of our friendship. I am conscious of the fact that during your brief stay, we have not been able to provide you with such comforts and facilities as we would have liked to. When you return home, we would like you to carry back with you memories of our friendly feelings towards your country and people. My wife joins me in extending thanks to you and, on behalf of both of us as well as on behalf of the government and the people of Nepal, we request you to convey to your government and people a message of peace, greetings and goodwill.

Thank you.

KING BIRENDRA'S SPEECH, FEBRUARY 24, 1975

[Delivered on the Tundikhel, Kathmandu]

HM CALLS TO BEGIN NEW . . .

BELOVED COUNTRYMEN: About two hundred years ago, our illustrious ancestor, King Prithivi Narayan Shah, left the small principality of Gorkha to embark upon a campaign of unifying the principalities of Nepal. The successful conclusion of this noble endeavour brought into being present-day Nepal, united under the leadership of the Crown.

The institution of monarchy in Nepal had existed from time immemorial. The earliest records show Nepalese history and civilization developing under its patronage. King Prithivi Narayan Shah's campaign however added a new dimension: out of a myriad of diversities ranging from the social to religious and cultural entities and from numerous principalities of varied topography, a new nation was forged.

Today, our country encompasses not only the hills, valleys and plateaus of mid-montarne regions but also the flat, tropical plains of the Terai together with some cold, arid tracts beyond the high Himalayas. The basic unity of the Kingdom as a mosaic of numerous diversities and contrasts has been nurtured by the Crown. Naturally, therefore, our people look up to it as an enduring ex-

pression of their unity and strength. The Throne embodies this country's sovereignty, integrity and national dignity together with our independence, tradition and culture. It is only natural that the Nepalese should regard it with affection and pride.

It is this legacy which history has handed down to us in our person. In this spirit, and in a spirit of prayerful wishes for our people, we accept the address presented us on behalf of all our countrymen by Prime Minister Nagendra Prasad Rijal. We consider his felicitations a collective expression of our beloved people's affection for us, and from the Court summoned here in this city of divinities, we express, on behalf of the Queen and our own, our gratitude to all our people.

Everywhere and in every age, human society craves for truth, justice, righteousness and salvation. And these strivings of man can be fulfilled more by the moral sensibility of man that by the insensitivity of matter. It was on the basis of such a realisation that Monarchy had been instituded as the basis of our ancient political culture. Conscious of these beliefs, our illustrious ancestors shouldered their responsibilities towards the country and the people. As the King dedicated himself to further the cause of his people, the people, in turn, dedicated themselves to the cause of the King in whom they saw the personification of their collective will and identity. This being our history, we are committed to further the great tradition in the years ahead.

In our timeless tradition, we have woven with consummate skill a synthesis out of diversities and contrasts in a spirit of harmony and conciliation. Our national culture has remained indigenously indivisible, and in its evolution it has drawn on a pragmatic basis the essence of all creeds, whether it be Vaishnavism, Shaivism, the Shakticult or Buddhist philosophy. To an inquiring mind, the uniquenes of Nepal's culture lies precisely in the achievement of unity from these diversities and contrasts. In fact, it was to give political articulation to this tradition that King Prithivi Narayan Shah described the Kingdom as a garden where all creeds and professions may come to bloom and blossom. He persevered not only to preserve the independence of the country but also strove, through the development of industries, to enhance the well-being of his people, whom he looked upon as the wealth of the nation. He stressed the need, above all, of upholding fairness and justice for all. We have borne these ideals close to our heart and, to the best of our ability and judgment, we too have been following these enduring precepts.

In the last three years since we ascended the Throne, some concerns have occupied much of our thinking and time. And these have been:

How to maintain the sovereign integrity of Nepal and safeguard the liberty of every Nepali.

How to enhance the welfare and the dignity of our people.

And above all, how to administer justice so that people can march ahead on the road to peace, happiness and freedom.

Concerned with these problems, we took to regular tours of the country during which we met people from all walks of life and talked to them of our problems and prospects sharing with them joys and sorrows. In the end, we have been convinced that the basic problem confronting the nation concerns the development of Nepal and the Nepalese people. We have, accordingly, granted the highest priority to economic development. Not only are the majority of our people backward, in the economic sense of the term; due to ignorance and illiteracy we have not been able to harness our rich human and natural resources, either.

It is only natural that under these circumstances, several thoughts come to our mind. We wish to see the hungry fed, the naked clothed, the sick tended. We wish to see all our children receive the light which education imparts. We wish to see every Nepali learnt at least a useful skill or vocation, so that the self-respect earned through useful effort is not denied anyone. We wish to see growth and development in transportation, agriculture, industry and all other sectors of our national economy and its effects distributed evenly so that people in all parts of the country are able to increasingly share in the ensuing climate of peace and prosperity. We wish to see creative talent, so much of it now hidden for want of opportunities come to the fore in every part of the country and contribute with dynamism and dignity to the mainstream of national life. These are some of the thoughts which have occupied our mind. In the final analysis, however, we believe that it is education which constitutes the mainspring of development. I have, therefore, commanded my government to make primary education free so that every Nepali child, whether boy or girl may get access to better opportunities in life. It is also my firm conviction that whatever resources we can generate internally or externally should be committed development of the Nepalese to the and the Nepalese people alone.

My beloved people, we feel that the times call upon us to usher in a new age, an age when the Nepalese people shall rouse themselves to seek development integrating the material with spiritual advancement, and the physical growth with moral and intellectural upliftment. Let us begin a new era—an era when industrilisation will serve as the vehicle of accelerated economic development. Let us initiate this age when letter and art and science flourish together with technology, crafts, and skill in different fields of national endeavour and above all, let us continue to develop and enrich our civilization and culture in this treasured land of ours, and live in freedom for ages to come.

Let us not forget that Nepal's independence rests on the unity of the Nepalese people. Let us not forget that Nepal's development, too, depends on dedication of the Nepalese themselves. This explains why our Panchayat Constitution grants equal opportunities for all our citizens to advance both personal and national interests. Therefore it behoves us today that all of us work earnestly as one for the creation of a just, dynamic, partyless, democratic society, free from exploitation. To fulfil such goals it is equally necessary that we move ahead introducing timely reforms where necessary.

Beloved countrymen, by the Grace of the Almighty, our Coronation has been solemnized in accordance with the Vedic rites. We have taken this auspicious hour as an hour for renewed dedication to work for the welfare of our countrymen. A few steps which we have taken in the campaign for national development have been inspired and sustained by the affection, co-operation and goodwill which we have received in ample measure from our people. The journey before us however remains long and arduous. We feel confident that the faith, support and loyalty of the people for us will continue to be forthcoming. It is in this spirit that I call upon all the Nepalese to work still harder. Many are the needs of the present, but we have to work with greater determination and discipline, not only to fulfil these, but also with our view firmly set to the future, to safeguard the interests of the generations to come. All our efforts will be directed to serving the interest of the country and the countrymen. A selfless effort where the King joins hands with his people in serving the nation has been a unique feature of our political life in the past, and so it shall remain in the future too. As the Crown in Nepal has been safeguarded by the toil and blood of the Nepalese people, the Crown too, in its distinctive Nepalese character, shall always defend and promote the interest of the Nepalese people. Every hour of our history has been an hour of challenge: and meeting these challenges has been a feature of our national life. I feel that all our resources physical, mental and material, should be devoted fully to the service of Nepal. In such a comprehensive effort we should consecrate ourselves fully to the service of Nepal, the King for the people of Nepal, the people for the King of Nepal, the King and the people both together for the cause of Nepal. Only a dedication of this breadth and magnitude will enhance the dignity and honour of this Himalayan Kingdom, enabling us to hold our heads high like the towering peak of the Everest itself.

In the end, we take this opportunity to extend warm welcome to all Heads of State, Royal Representatives, Heads of Government, diplomatic representatives and other distinguished guests from various friendly countries, who have not only gracefully accepted our invitation to participate in the Coronation celebrations, but have, by their presence here, enhanced the dignity of the occasion. Once again, we wish to express our appreciation for the address presented us by our people. We also extend our thanks to the Coronation Celebration Committees in various parts of the country as well as to our beloved people in all parts of the Kingdom.

May Lord Pashupatinath bless us all!

COSTLY BUREAUCRATIC DELAYS

Mr. MOSS. Mr. President, in this time of rising unemployment and inflation, attention must be given to the costs imposed on our economy from bureaucratic delays in the preparation of environmental impact statements. I am inserting in the record a letter I received from Alunite Metallurgical Center, a large corporation planning over $400 million of investment in a mining and manufacturing facility in southern Utah. The proposed project would provide over 1,500 permanent jobs to a community that is currently experiencing over 15-percent unemployment. The economic benefits of this facility are not confined to Utah. Once alumina production has reached expected levels, U.S. dependence on foreign sources will be eliminated. In addition, an important byproduct of alunite production is phosphate fertilizer, a product in very short supply and critical to increasing our agricultural output. Although significant economic benefits will be realized from the completion of this facility, all construction plans have been postponed for at least 18 months due to delays in processing and preparing the environmental impact statement. Several proposals for large mining projects that require environmental impact statements have left the Utah State Office of the Bureau of Land Management struggling to meet environmental impact statement deadlines. It is this increased workload which is responsible for the long delays and the unnecessary costs imposed upon local and national economies.

Mr. President, there appears to be substantial room for streamlining and expediting the process of obtaining an

environmental impact statement. It is time for Congress to undertake an evaluation of existing procedures and measure them against proposed alternatives, identifying unnecessary regulations and requirements to be eliminated.

I ask unanimous consent that the letter be printed in the RECORD.

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

ALUNITE METALLURGICAL CENTER,
Golden, Colo., February 28, 1975.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: The attached letter pretty well describes the current status of the Alumet Project and our recent attempts to accelerate progress. As you can see, we have not thus far been spectacularly successful in overcoming bureaucratic inertia, but we have enlisted the aid of organized labor and will continue our efforts. In this instance, the aims of labor and management are identical.

We would greatly appreciate any assistance you can give, either in prodding the government agencies or developing special legislation to aid our Project.

Respectfully,

WILLIAM R. TIPTON,
General Manager,
Western Operations.

ALUNITE METALLURGICAL CENTER,
Golden, Colo., February 27, 1975.

Mr. RUSSELL T. CONLON,
General Vice President, International Union of Operating Engineers, Washington, D.C.

Subject: Need for new legislation

DEAR RUSS: The Alumet Project, which we discussed yesterday, is a Joint Venture by: Earth Sciences, Inc., Golden, Colorado, National Steel Corp., Pittsburgh, Pennsylvania, and Southwire Company, Carrollton, Georgia. The Project will mine 2.5 million tons per year of phosphate in Idaho. It will mine 800,000 tons per year of coal, and 3.66 million tons per year of alunite in Utah. The various milling and processing operations which follow mining will produce 500,000 tons per year of alumina, 1.1 million tons per year of phosphate fertilizer, 370,000 tons per year of sulfate of potash, and 10,000 tons per year of aluminum fluoride.

About 1,500 men will be required to operate the mills and mines of the Project. 200 will mine and process phosphate near Soda Springs, Idaho. 1,100 will mine and process alunite near Milford, Utah. About 3,500 men will be required to construct the Project.

Total capital cost of the Alumet Project will be about 400 million dollars if the Project is not delayed much longer. The Project is currently being delayed for lack of various government permits.

There are several powerful arguments in favor of our project:

1. It will render the U.S. independent of foreign sources of alumina.

2. It will improve the U.S. balance of payments.

3. It will create an additional source of phosphate fertilizers, which are in critically short supply.

4. The project is both economically and environmentally sound and will be a major source of tax revenue.

5. It will bring prosperity to an economically depressed area.

6. It will give permanent employment to about 1500 men and will give employment during its construction to about 3500 men, all at a time when unemployment is our greatest domestic problem.

The construction phase of the Project will take about 30 months, with a total Project time span of 42 months to complete all phases. A Project schedule is attached. It would obviously be most advantageous to both the United States economy and the backers of the Project if work could begin immediately. Unfortunately, this is impossible under our present environmental regulations.

Environmental Impact Statements will be required for most of the proposed facilities. These, by law, must be prepared by the government agency having jurisdiction. There is currently no way for the Project backers to speed up the leisurely preparation process. In discussions with the government agencies earlier this week, the following facts were brought to light:

1. The U.S. Geological Survey stated that no new phosphate mine plans would be approved until an Environmental Impact Statement covering the entire Southeast Idaho phosphate field was issued. The E.I.S. completion date is estimated to be July 1976.

2. The Bureau of Land Management has not yet selected a team to write the E.I.S. for the Utah Alunite Property. The estimated completion date has not yet been established and it is doubtful that a date will be set before April 1975. The Environmental Impact Assessment for the Alunite Property has been in the hands of the BLM since December 1974. Efforts to expedite action have been unsuccessful.

The cost of government delay in this case is staggering. Project cost due to inflation alone is increasing at the rate of about $4 million per month. It is quite possible that by the time government paperwork is complete, the Project will no longer yield an adequate return on invested capital and will be abandoned. In any case, the Project cost increase will be passed on to the public if the Project gets into operation. This inevitable by-product of environmental delays was not mentioned by the proponents of our environmental laws.

Some corrective legislation is required. Responsibility for Environmental Impact Statements should be placed on the group proposing the Project. A statutory time limit should be established for government review, public hearings and other necessary functions. The alternative to simplifying the environmental procedure is to seek special legislation for those projects which are sufficiently well publicized to win widespread legislative support. This is a tricky and cumbersome procedure which cannot be depended upon, but which is the only present means of expediting government action on environmental matters.

I will be most grateful if your organization can assist in cutting some of the red tape which is holding up the Alumet Project. Please call upon me at any time for further information if it is needed.

Very truly yours,

WILLIAM R. TIPTON,
General Manager,
Western Operations.

SECTION 12: PROJECT SCHEDULE

The schedule (Figure 12-1) indicates a startup date 42 months after initiating the work.

The schedule is based on the following assumptions:

(1) Process engineering will begin as soon as data are available from the pilot plant. Engineering may begin before completion of the pilot plant investigations.

(2) Design engineering will not begin until the basic process criteria have been finalized.

(3) Procurement activities and allocation of funds will begin 1 month after start of the project.

(4) Equipment items that have a long lead time will be ordered as soon as possible. They include: Power plant boilers; Steam turbines; Electric transformers; and Ball mills.

(5) The construction phase will take 30 months.

CROWDING OUT

Mr. LAXALT. Mr. President, this week the Senate will be considering what could easily be the most important measure of the 94th Congress: H.R. 2166, the tax cut bill. Although debate on the pros and cons of cutting taxes to stimulate the economy has been swirling around us since at least the time of the President's state of the Union message, we will soon be called upon to make the innumerable complex decisions required to either implement or reject this basic concept.

But, prior to our becoming enmeshed in the specifics, I would like to bring to the attention of my colleagues a potential danger which could confront us if the congressional penchant for cutting taxes without reducing Government spending is indulged in excessively. This is not to say that we should not promote economic recovery. But we should be certain that we know what we are doing when we attempt to tinker with the world's most complex and profitable machine.

Last week, the Wall Street Journal presented a very thoughtful editorial on the economic phenomenon known as "crowding out." Those economists worried about crowding out maintain that private financial markets cannot handle both huge Federal deficits and the needs of private borrowers, while those not as concerned argue that even the largest deficits can be accommodated because during a recession those borrowing demands emanating from private sources are drastically reduced.

Most discussions of this issue have been pitched at this rather general level. However, the Wall Street Journal goes into substantially more detail by breaking the savings pool into its essential components and then discussing what changes in the economy would be required for that pool to be adequate to meet all the demands likely to be forced upon it. The sad part is that these changes are almost all bad. Although they would not all occur at once, higher interest rates, resurgent inflation, struggles for funds between private borrowers and the Government, a decreased rate of economic growth, and an aborted recovery are some of the possibilities mentioned.

Mr. President, I am not an economist and I do not feel competent to judge the finer technical points of this debate. However, I feel that we in the Congress who, unlike our economic advisers, bear the ultimate political responsibility for the economy should be aware of possible adverse consequences of our actions. Accordingly, I ask unanimous consent that the editorial from the March 13, 1975, Wall Street Journal, entitled "Crowding Out," be printed in the RECORD.

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

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. plus Deficit Equals Bus. Sav. plus Per. Sav. plus For. Inv.; 208.9 plus 5.9 Equals 136.5 plus 76.7 plus 3.6.

Total 214.8 Equals total 216.8.

1975:

205 plus 70 Equals 150 plus 80 plus 10.

Total 275. Equals 240.

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 purchases 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 encouraging 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 investments 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 value 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 tax 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?

THE CAMBODIAN DILEMMA

Mr. HUMPHREY. Mr. President, the Senate will soon consider the President's request for further military assistance to Cambodia. Daily, the administration reiterates its rationale for further aid to the crumbling Lon Nol government. Its arguments are not new. I do not find them convincing. My review of the cables and intelligence reports has reinforced my conviction that, even with increased aid from the United States, the Lon Nol government cannot long survive.

Since 1970, we have provided $1.75 billion in military assistance to Cambodia. If with this mammoth sum the Phnom Penh government could not prevail on the battlefield. is it realistic to expect that an additional $125 million will turn the tide?

Now the administration seeks to justify its request for more aid with the contention that if the government falls a bloodbath of devastating proportions will ensue. And yet, the blood flows profusely in Cambodia today.

Our answer to the administration must reflect a decision based on the best interests of the Cambodian people themselves. What course of action will bring their suffering to a swift end? What course of action will save the most lives? If my colleagues will carefully analyze the situation, I trust they will concur that the delivery of more military aid will neither bring peace to Cambodia nor end the bloodshed, but will only serve to prolong the unspeakable ordeal of the Cambodian people.

In an article in the Washington Post on March 9, Anthony Lake eloquently analyzed the administration's proposal and the history of our tragic involvement in Indochina. He stated that:

> . . . with the situation in Cambodia now so desperate, the burden of proof must be on the administration to show us where it wants to take us: how more aid will lead to peace and how much it will cost us and the Cambodian people in the process.

With deep insight, Mr. Lake has discussed past premises in the context of the present situation in Cambodia and has come up with some interesting conclusions.

Mr. President, 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:

AT STAKE IN CAMBODIA: EXTENDING AID WILL ONLY PROLONG THE KILLING

(By Anthony Lake)

The news from Indochina has a familiar ring these days: Rockets are falling on a city, innocent people are dying and a government propped up by American money is calling for more. Even more familiar are the arguments being used by President Ford and his administration to urge additional aid for Cambodia, arguments that echo years of similar pleas about Vietnam.

The fact that we have heard them before does not mean that the old arguments are necessarily wrong. But the passage of time and the continuing bloodshed do indicate that we may have been arguing the wrong issues all along.

If we are to turn an all too familiar and bitter debate into a practical discussion of what is to be done about the mess in Cambodia, we should resolve the questions on Indochina that no longer can be evaded.

Anyone who feels nostalgic about the rhetoric of the past must appreciate many recent pleas by the administration.

"Dominoes," for example, are back in fashion. The allegiance to the theory of falling dominoes is not as enthusiastic as in 1963, when President Kennedy exclaimed, I believe it. I believe it." Now, Secretary of Defense James Schlesinger argues that "the domino theory . . . has been overly discredited."

The theory has changed, of course. In the 1950s and early 1960s, the prediction was that the dominoes might fall, one by one, as communism advanced across Asia.

Under Presidents Kennedy and Johnson, the concept was broadened. The Communists would promote "wars of liberation" around the world, if they were not licked in Vietnam. In May, 1965, the assistant secretary of state for Far Eastern affairs warned that "Africa and Latin America are already feeling the threat of such thrusts."

Now, with false alarms about Africa and Latin America no longer ringing, and with detente the cornerstone of our foreign policy, the dominoes are not physical but psychological; not countries that might fall to external subversion, they have become attitudes toward the United States that might change, with severe diplomatic consequences.

Secretary of State Dean Rusk sounded this warning in October, 1967. Our "credibility," he said, was at stake in Vietnam. "If any who would be our adversary should suppose that our treaties are a bluff, or will be abandoned if the going gets tough, the result could be catastrophe for all mankind."

President Nixon, similarly, feared the world wide consequences of America's acting like a "pitiful, helpless giant."

The assistant secretary of state for East Asian affairs recently played on the same general theme: "Cambodia cannot be viewed as an isolated spot of small import to the U.S. Rather, it must be viewed in the larger context of Indochina which, in turn, affects Southeast Asia and Asia as a whole, which again affect the rest of the world. It is not to exaggerate to say that the eyes of the world are on the U.S. response to the needs of embattled countries."

But where are the voices and arms of our allies, if their eyes are riveted to our response? They are generally silent, because they, at least, understand the danger of drawing an analogy between a NATO country and a Cambodia. Indeed, they must prefer that the United States wake up from the Indochina nightmare that whose commitment so debilitates it.

Related to the dominoes argument is another old acquaintance, the "commitment" refrain. It is unnecessary to recall how often we heard of our "commitment" to succeeding regimes in Saigon. Now we are told we have a commitment to Lon Nol, and the Congress will violate it only at our peril.

Yet surely the blame for this state of affairs should not be placed on Capitol Hill. The administration made whatever promises there were, despite constant congressional opposition since the war was extended to Cambodia by the "incursion" of 1970.

Section 655(g) of the Foreign Assistance Act, which states that aid to Cambodia "shall not be construed as a commitment by the United States to Cambodia for its defense," was passed by the Congress in 1971 and reaffirmed since. It was also signed by the President.

To "dominoes" and "commitment," add a third familiar phrase: "foreign aggression." American troops won't necessarily be sent to meet it any more, but according to President Ford's statement on Cambodia, "the policy of this country is to help those nations with military hardware . . . where the government and the people of a country want to protect their country from foreign aggression."

At best, the view that the struggle in Vietnam is not a civil war has always been arguable. To claim that Prince Sihanouk and his Communist but indisputably Cambodian allies in the field are "foreign" to Cambodia is simply inaccurate. Sixty-two governments recognize them as the legitimate rulers of Cambodia.

Yes, they do receive foreign aid as they attack the people who attacked and threw out Sihanouk in the first place. If that makes this a situation of "aggression," and "foreign" at that, what are we to say of our aid to the other side?

Cambodia must be recognized as a civil, not an international war as Vietnam should have been so long ago.

THE BURDEN OF PROOF

Finally, there is the Cambodian "bloodbath" which so many in Washington now fear, should Phnom Penh fall. "Defeat in South Vietnam would be to deliver a friendly nation to terror and repression," warned President Johnson in April, 1965. Now one can all too clearly envisage the bloodshed that would accompany a final spasm of fighting around Phnom Penh.

But to warn of a new "bloodbath" is no justification for extending the current bloodbath. Rather, we should begin to consider the questions which must now—perhaps already too late—be addressed.

All of the arguments just mentioned warn of the penalties of failure, the consequences of allowing a defeat in Indochina. Yet the first question to be addressed is at least as important: What are the future penalties of a continuing effort to avoid defeat?

Throughout the sad history of American sacrifice in Vietnam, our Presidents justified our anguish not by predictions of success, but through fear of failure. And we never saw a careful analysis of what it would cost—in American lives, in American dollars, and in the sufferings of those we said we were trying to save.

The hope offered for so many years on Vietnam, and now on Cambodia, was that a "compromise settlement" could be achieved if we were tough enough to force one. But even with the so-called cease-fire of 1973, the fighting continues in Vietnam, and this flickering light at the end of the tunnel seems as far distant as ever.

We never should have waded into Cambodia in 1970, or into Vietnam before that. Now that we are over our heads, we are like a swimmer who strikes on *away* from shore, with only water to the horizon, because he wants to avoid looking weak to his friends and to the bullies back on the beach.

Especially with the situation in Cambodia now so desperate, the burden of proof must be on the administration to show us where it wants to take us: how more aid will lead to peace and how much it will cost us and the Cambodian people in the process.

Playing on vague, future fears will not do. For those concerns must be overpowered by our fears of continuing a conflict that has claimed the lives of 10 percent of the Cambodian people in the last five years and made millions homeless.

The second and third questions make an assumption that the reader may not share: that whatever the United States does, short of armed intervention, the Lon Nol regime will fall, and sooner rather than later. This is an assumption supported by news reports and widely shared by analysts both in and out of the U.S. government.

CUTTING OUR LOSSES

The second question: How, in these circumstances, can we limit damage to and within the United States?

One way would be to stop falling into the same traps we so willingly entered in Vietnam, and cease overstating the stakes in our performance.

The more we *say* that the whole world is watching and judging us, the more it watches and judges. In claiming that Cambodia is a test of our will, we may make it one. It would be better to make it a test of our intelligence.

On Feb. 25, Secretary of State Henry Kissinger intoned the warning that ". . . if the collapse of Southeast Asia is caused by an American decision to withhold aid under conditions in which such a decision can have only one outcome, the conclusion will be inevitable that it was the United States which has the responsibility."

What of the responsibility of the corrupt and incompetent Cambodian regime that made such bad use of $1.75 billion of U.S. aid the past five years?

Kissinger has carefully tried to avoid parallels between American actions on Cambodia and our approach to Israel. Couldn't the same distinction be made in favor of our other allies? It would be in our interest to do so.

Another way to limit the damage of Cambodia would be to heed the administration's own fears, expressed by President Nixon on Nov. 3, 1969, that after disaster in Indochina, "inevitable and divisive recrimination would scar our spirit as a people."

What is it but "divisive recrimination" when the administration goes to such great lengths to blame the Congress for what most officials at State, Defense and the White House must know is an inevitable loss in Cambodia? There is a widespread suspicion in Washington that leaders of the administration privately concede defeat both in Cambodia and in the Congress, but plan to use the guilt they will lay on the Capitol doorsteps to force continuing appropriations for Vietnam. If this is the strategy, it presents a curious spectacle of self-defeat: an American government damaging us abroad and at home over Cambodia to avoid precisely those dangers over Vietnam.

A further measure of damage-limitation would involve adopting a diplomatic and rhetorical position which eschewed bitter attacks on Lon Nol's enemies. They are indeed supported by Hanoi, Peking and Moscow. But, to the extent we know much about them, they include many Khmer nationalists, Communist and non-Communist. Once they gain power, we must hope for as much nationalism on their part as possible. Why play up our enmity to them? It can only help push them further into the arms of their Communist supporters.

We are not, after all, really facing the "loss" of Cambodia. It is not ours.

The third question concerns the damage done in Cambodia: How can we help keep future bloodshed there at a minimum?

As Sen. Hubert Humphrey recently put it, "It seems to me that events in Cambodia have gone far beyond the point where we should be concerned about trying to support continued military actions on the part of the Phnom Penh forces and should turn our attention instead to the alleviation of the terrible suffering and bloodshed occurring on both sides in this civil war. How does it make any sense to ask for $222 million worth of ammunition which can't be delivered when children are starving and the Cambodian people are desperate for peace?"

The dilemma is painful. If no more aid is forthcoming, Phnom Penh will collapse before too long and more children will starve in the meantime. If more aid is sent, the bloodshed will continue a while longer.

There is no good answer. Some find appealing the President's call for time for negotiations aimed at a compromise settlement. But that boat left port at least a year ago, as shown by the record of failed efforts just released by the State Department. Why should the Khmer Rouge agree to share power when they can expect to seize it?

As Kissinger aptly puts it, "negotiations cannot be a substitute for a situation on the ground . . . They will reflect a situation on the ground." And even with the new aid, the position of the Phnom Penh regime is hardly likely to return to 1973—when successful negotiations, we were told, were not possible.

What, then, is to be done?

The administration would like to buy some more time with further aid. If Lon Nol still loses in the near future, we would have gone down swinging. But all we would have accomplished is the provision of an indecent interval of further killing.

If, extraordinarily, our aid denied the Khmer Rouge victory through the coming rainy season, we would only have entered a new tunnel at the end of this tunnel, with still more bloodshed.

In either case, the administration's tired old arguments would have produced a terrible new suffering.

Perhaps the least bad choice would be to provide a little more aid, including food, to allow the government in Phnom Penh to negotiate—not an impossible compromise—but an immediate, peaceful turning over of power. This would stop the final, useless killing.

Free passage out of the country for those who wished to leave might be achieved. If it is not, and the aid is simply cut off, only those Cambodians who can commandeer the last flights out of Phnom Penh, assuming the airport is open, would be able to go. American officials would leave by plane or, if necessary, by the helicopters now standing by. And the departing generals and diplomats would leave chaos behind them.

The presence of an international group in Phonm Penh that could oversee the departure of refugees could also be sought. It might be given responsibilities for managing food and medicine distribution as well.

This approach would require absolutely limiting the further U.S. aid to no more than enough for one or two more months, so the handwriting on the wall is completely clear. And it should be accompanied by calls on the administration and the leaders in Phnom Penh to make such a diplomatic effort.

Kissinger is right when he argues that the time is not ripe for negotiations—but only if the administration and the generals still seek victory or susbtantive compromise. The time is now for negotiation to save lives, as the final act apparently unfolds.

As it does, a last question emerges. Cambodia was invaded in 1970 for the sake of American strategy in Vietnam. Shouldn't that strategy now be examined in the light of Cambodia? For the same basic choices seem to face us in Vietnam as well, even if the timetable and scale are different.

FORD FOUNDATION STUDY ON ENERGY ALTERNATIVES

Mr. HANSEN. Mr. President, not long ago the Ford Foundation published a $4 million study on energy alternatives for the Nation. The study entitled "A Time To Choose," points out the danger of becoming accepted as an authoritative document by the American people in the absence of any analysis of it.

Fortunately, a group of economists, energy authorities, and academicians under the auspices of the Institute for Contemporary Studies saw this danger and undertook a critique of the Ford study. They found it lacking in both logic and fact.

The Institute has published an analysis in a book entitled, "No Time To Confuse," and I commend this important document to all my colleagues. I further commend this study to all who would like to see this great country work itself out of our energy shortage dilemma.

Mr. President, "No Time To Confuse" has received some attention by the media recently. Mr. Robert F. Hurleigh on Mutual Broadcasting System has devoted two commentaries, one on February 25, and again of February 26, to the Institute for Contemporary Studies' effort.

Mr. Hurleigh commented on February 25:

The Institute had sent copies of the Ford Foundation's Energy Policy Project to ten outstanding economists, engineers and scholars of undeniable competence, and asked them to appraise the Ford Foundation's final report. To a man, though in varying degrees, the individual reports of this highly qualified review panel appraised the Foundation project as a regrettable effort which confuses energy and environmental issues and is arrogantly demogogic.

On February 26, he said:

The importance of this competent critique of the Ford Foundation's report lies in the fact that many government officials and members of Congress, as well as those involved in energy issues may be aware of the basic weakness of the Ford Foundation's blob of environmental ectoplasm.

Finally, Mr. President, Mr. Nicholas von Hoffman's column of March 7, in the Washington Post mentions this analysis of the Ford study.

Mr. von Hoffman puts forth a most intriguing idea for saving the energy crunch:

Apparently 6 trillion years ago there were an incredible number of palm trees and snails obligingly dying and turning themselves into oil and coal for us.

Maintaining a free market in oil, or even deregulating the oil industry where it is now controlled, won't solve all our problems, especially the long range ones, but it is an infinitely better approach to our present difficulties than anything the politicians are proposing. Indeed, if they want to help the oil situation, they might take themselves and their fossilized, old-fashioned ideas on government intervention and emulate the snails and the palm trees. This is the only way they can materially contribute to increasing our energy supply.

Mr. President, until this Congress opts for the free market approach for the solving of our energy shortages, these shortages will continue and the inflation-recession economy we find ourselves in will continue to plague our people. The only way to eliminate a shortage of anything is to increase its supply relative to demand. You cannot accomplish supply increase through allocation after allocation, regulation after regulation, and taxation.

The American consumer and the American producer will respond to economic price incentives-price disincentives.

OLD PEOPLE: FRIENDLESS IN THE COURT

Mr. TUNNEY. Mr. President, last June the Senate Committee on Aging and the Judiciary Subcommittee on Representation of Citizen Interests conducted a joint hearing in Los Angeles on "Improving Legal Representation for Older Americans."

That hearing provided moving testimony about the legal problems affecting the aged.

Witnesses repeatedly emphasized that the senior citizens' need for legal representation perhaps, may be greater than for any other age group.

Upon retirement, older Americans increasingly rely upon Federal programs, such as social security, medicare, supplemental security income, food stamps, and others. Quite often, these programs are couched in rather complicated language which is not readily understandable by the layman.

The hearing also provided compelling testimony about many aged persons who "slip between the cracks" of Federal programs when confronted with a legal problem—especially the middle-income elderly. They have too much income to qualify for legal services; yet, they cannot afford to pay a private attorney at today's prices.

Consequently, they are in a "no-man's" land, with no place to turn. The net impact is that large numbers now suffer needless deprivation and anxiety because no legal assistance is available at a price within their reach.

This month's issue of "Juris Doctor" has a special feature on the legal problems of the elderly and provides fresh new prospective on this issue. Additionally, it discusses efforts of the National Senior Citizens Law Center, based in Los Angeles, to sensitize various groups about the aged's pressing need for representation.

Mr. President, I commend this article—entitled "Old People: Friendless in the Court"—to my colleagues, and ask unanimous consent that it be printed in the RECORD.

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

OLD PEOPLE: FRIENDLESS IN THE COURT

(By Marlene Adler Marks)

In the year 2010, I will be 62. Chances are most of you will be at least that old. Many of you will be much older. The postwar "baby

boom" will undoubtedly become, just 35 years from now, the "patriarchs push." And so for the youngest among us it may well be an act of self-preservation to talk about the legal problems of today's old people, euphemistically called senior citizens. For no matter who they are or where they live—in isolated retirement meccas like Miami or Los Angeles or in nursing homes near your house where they are rarely seen—the elderly today are you tomorrow.

But the private bar, like the public at large, has little use for reminders of impending old age. "The private bar hasn't done diddly," says an activist in the field of legal aid for the elderly. Says Jack Berman, a prominent San Francisco attorney, "You want to know why we don't handle cases for the elderly poor? Why, it's the same reason we don't handle cases for the young poor. We can't afford to. Let me tell you about my overhead. . . ."

There are 20 million prospective clients out there over 65 with problems you would hate to face—but may have to one day. Contemplate for a moment the specter of incompetency proceedings, or the no-man's land of a nursing home. One in four elderly families lives on less than $3,000 annually. More than 50 percent of single old people live on less than $2,000 a year.

But the problem is more than one of poverty, for not all the elderly are poor. Many of them are living on fixed, but middle-class incomes. Nevertheless, they have special legal problems, and the record of the private bar in helping these Americans—who are often too proud or frightened to cry out for help—has been abysmal. The old live today under an apartheid policy as severe and shocking as South Africa's, and so far no deluge of "civil rights workers" has volunteered to set them free.

Economics are only the beginning—the problems inevitably involve equal rights and the law. People over 65 make up 20 percent of the poverty population. They live on Old Age Assistance, Social Security, and the recently enacted Supplemental Security Income—a basic monthly income of about $235, depending upon the state.

To some of us, a yearly income of under $3,000 may seem beyond belief. But for the elderly, the current economic crisis is only the last item on a long list of financial tortures. "My wife, at 65, and I, at 72, are part of an unfortunate generation," one man wrote to the American Association of Retired Persons. "The depression of the thirties denied us the maximum earning power and advancement opportunities of normally more productive years. During World War II, our salaries were frozen and our mobility severely restricted. Pension plans and fringe benefits in commerce and industry did not materialize until the middle or late fifties. Even then, I was considered too old to participate or unable to transfer what little vested rights I had accumulated to another job. This is not to be considered a complaint, but only a record of the facts."

Horror stories may be unnecessary. We all know of old people living alone, enfeebled, poor. We've heard stories and read congressional reports about inhuman conditions in nursing homes, and we remember the testimony about old people eating dog food. And the rights of the elderly are still in daily jeopardy. They live in a "Catch 65" world, where institutions and people seem bent on destroying the only thing the old have left, their dignity.

Urban renewal programs are a good example. Generally, old people who live in their own homes have maintained them well—some for as long as 50 years. But when cities require costly adherence to housing codes, the elderly run for cover. They simply can't afford the improvements or the attendant increase in property taxes; eviction cannot afford to pay for a loan," Stan Price, former head of the defunct Housing Law group in Santa Monica, California, told a congressional committee some years back. "They cannot get a loan because the banks will not lend money to elderly people who are living on a fixed income, and banks will not lend money to homeowners in certain parts of the city."

Where can old people go for help? Whether it is a dispute with a landlord, a nursing home, an insurance company, or the Social Security Administration, the elderly usually find themselves friendless in the legal community. "We never think about going to a private attorney for help," says a member of one California senior citizens group. "Attorneys don't regard the elderly as part of the market. They don't have money so they never get help."

While frequently pigeonholed as "poor" and therefore entitled to legal aid, the elderly are in a class by themselves. They have the same needs as other legal aid clients, but they have problems that set them apart. As James Kraus, former deputy director of New York's Legal Services for the Elderly Poor, wrote in 1971, "The candid policy of many attorneys is to take advantage of court delay and elderly plaintiffs by postponing trials as long as possible, knowing that the pressure for settlement intensifies in proportion to the plaintiff's age and health—and therefore the diminishing likelihood of remaining alive to enjoy any financial recovery."

Kraus suggested that all jurisdictions give the elderly special priority for hearings and trials. They need extra consideration as plaintiffs, Kraus said, so that they "can benefit from any recovery during their lifetimes," and as defendants "to prevent one party from capitalizing on the age of another and in the interest of having the trial include the live testimony of the defendant."

But these problems arise only after the elderly client has found a lawyer. Finding representation is difficult indeed, compounded not only by the disinterest of most of the private bar but also by its simple ignorance of old people's problems. Social Security forms and the appeals process for beneficiaries are a legal specialty, as are pensions, nursing home contracts, and the problems of involuntary commitment. While law schools were relatively swift in adding civil rights law, landlord-tenant law, and general social welfare law to their curricula, only a minority of schools offer courses in how to fight for an elderly client.

Thus it is newsworthy when four Stanford University law students establish a program for free legal services to the elderly. Duke, Syracuse, and George Washington law schools have grants for clinical programs on aging, and the University of Southern California and the Los Angeles campus of the University of California allow students to spend part of their time representing the elderly. And New York City has opened the first legal aid office exclusively for the elderly (see accompanying story at right).

But these are still the proverbial drops in the bucket. "The issues the elderly face are those for which even most legal services have no background," says David Affeldt, counsel for the Senate Committee on the Aging. "The other minority groups are regarded as being perhaps more visible and more glamorous. Their problems are ones attorneys are acquainted with." Old people's problems, he says, are not "of natural interest . . . to the general members of the bar."

Compounding the problem are disincentives built into federal programs that set outrageously low attorneys' fees. The Social Security Administration, which ranks first on the complaint list of the elderly, has established a 25 percent fee limit on past-due benefits recovered. Any additional approved fees must be recovered directly from the client. All fees for disability cases require approval from either the SSA or the court. While this may prevent attorneys from reaping a bonanza, the limit also means that only the most dedicated lawyers will work in a remote area of the law where the fee is small or nonexistent.

"The government ought to pay reasonable attorneys' fees on the basis that it expects to get professional help," says Norman Kalcheim, former head of the American Bar Association's Family Law Section. Fees should be discretionary within the appeals process, based on the amount of work done, he says, just as they are in workmen's compensation cases.

Oddly enough, an increase in attorneys' fees gets no support whatever from the two major elderly organizations, the predominantly blue-collar National Council of Senior Citizens and the mostly white-collar American Association of Retired Persons. These two groups attempt to speak for about seven million of the nation's elderly.

"We're trying to awaken the attorney to perform that *pro bono* benefit he's always so proud of," says David Marlin, NCSC counsel. "We're trying to tell him it's in his self-interest, the interest of the community at large, as well as God's work." For years Marlin and the NCSC staff have been promoting programs to entice the public bar. In 1968 they used one of the first federal grants for the elderly for 12 demonstration projects throughout the nation. One outgrowth of such funding was the National Senior Citizens Law Center (see accompanying story, page 20).

The AARP, on the other hand, while fervently backing legal services, has little hope of getting the private bar to respond. Jim Hacking of AARP's legislative section talks of prepaid legal insurance, more money for the newly established Legal Services Corporation, even government-funded ombudsmen to help the elderly through the federal bureaucracy.

But AARP doesn't mention partnership with the private bar. "We understand the average attorney has to run an office, has to make enough money," says John Martin, a colleague at AARP. "In a good many cases, there's no adequate fee."

At the union-backed NCSC, there is no evidence of such understanding. "The legal profession has never been covered with glory in its attempts to use the law to benefit the depressed and deprived of this country," says NCSC attorney David Marlin. "The problem with the legal profession is the same as that of many professionals in this country. They forget their obligations to the less well-off."

When the Practising Law Institute held a two-day seminar last spring on "Legal Rights of the Elderly," most of the 100 attorneys attending were, predictably, government lawyers. "Unfortunately, the problems of the group are typically non-remunerative to the attorneys involved. The elderly, more than others, live on limited fixed incomes," says Alfred Miller, program director of the seminar. Miller looks forward to a revolution in office management. Attorneys could realistically and painlessly use their time for elderly clients, he says, if they would use paralegals or form books, or otherwise simplify the delivery of their services.

"Attorneys could do the job," says Paul Nathanson, head of the National Senior Citizens Law Center. "They could make sure the elderly got care." The elderly would not have "Rolls Royce" wills, Nathanson admits, but they could get adequate legal care, "which is more than they get now."

The ABA's Kalcheim has been trying for years to get approval for a specific program, and this year the organized bar has made its first concrete attempt to enlist private attorneys in serving the elderly—a program

called LATE, Legal Assistance for the Elderly, using retired attorneys working for free. "My committee has been dealing with these problems for eight years," says Kalcheim. "The bar has always been active; 25 percent of its time is given to public affairs, and we've always been receptive even without financial rewards."

David Marlin of the NCSC doesn't think that's quite the case. "The Family Law Section has done very well within the range it operates in," he says, but because it is oriented to the law rather than the client, it has adopted a piecemeal, specialist approach. "The section is peculiarly geared to guardianship and conservatorships," says Marlin. "It has nothing to do with housing or welfare, and very little to do with probate. That's all another section. The range of interests of older persons do not coincide with this specialty of the law."

Perhaps there would be no problem if government legal services were filling the need. But in terms of dollars and political muscle, the elderly have had to take a back seat to the better organized poor blacks and other racial minorities whose problems are more visible. Now that the lobby representing elderly rights has become stronger, however, the tables may be turned—to such an extent that some attorneys think the poverty population as a whole may be hurt as money is siphoned off for programs designed solely for the elderly poor.

This year, for example, the Senate has already passed a $105 million appropriation under Title III of the Older Americans Act of 1965, some $9 million more than originally requested by the Nixon-Ford Administration. Some $2 million seems destined for legal services projects, though it's difficult to tell whether the House will agree to the increase or if President Gerald Ford will veto the entire package as "inflationary."

Money is the lifeblood of all federal projects, and neither the elderly nor the poor in general are exactly swimming in it. For a year, no new money has been allocated to the Legal Services Corporation, for example, although Congress has voted its intent to increase funding. Meanwhile, the fight for the few available dollars is dividing poor people, young and old, despite the fact that their needs are often the same.

Since the problems of the elderly began making the front pages, the ability of the legal profession to respond voluntarily to the demands of society's downtrodden has been called into question more dramatically than ever before. Why must the government step in where private enterprise fears, or refuses, to tread? Last year, Senator John V. Tunney's Subcommittee on Representation of Citizen Interests held a series of hearings on "The Organized Bar: Self-serving or Serving the Public?" Tunney heard from leaders of the bar on questions of price-fixing among attorneys, the monopoly of the legal profession, and the bar's responsiveness to the poor.

"Studies show that scores of citizens are turning away from lawyers because of the high cost of services." Tunney said at one hearing, "and lawyers increasingly leave single practice to aggregate in corporate law firms in large cities. The result is a growing gap between the lawyer and the average citizen. Why should this situation exist at a time when the lawyer population is increasing faster than the general population? If, according to the ABA Canons, the profession has a 'duty' to make legal counsel available, why isn't it happening?"

Tunney is clearly aware of how this affects the elderly; each month at least 600 of them file requests for service at his Los Angeles office. Administrative foul-ups in Social Security are the major complaint of Tunney's older constituents. Problems with loans and convalescent homes run a close second.

Eric Perkowski, Tunney's chief case worker, says many of these complaints should be directed to an attorney, but can't be because his office can't get involved in solicitations or referrals. In any case, says Perkowski, "by the time we get a case, it's too late to do anything about it. The elderly turn to their congressmen because they don't know where else to go. It's not that the system is so complex. . . . It's just that people don't fit into nice, clean slots."

"Even in an administration as efficient as this one, there are many mistakes and misjudgments," says David Marlin of the National Council of Senior Citizens. "If there were more legal activity, there would be more justice applied accurately and fairly."

The central question may simply be, "What makes the age 65 so special?" New York attorney Alfred Miller wonders if the problems of the elderly are really substantially different from anyone else's. "Aren't they part of the entire population?" he asks. "There are others in society attorneys don't serve either. Lots of attorneys wouldn't take a client of 55 if he were without money.

"It's one of my hangups. Why does the fact you're over 65 make it difficult to get legal services? It's only one aspect of the entire problem of inadequate delivery of legal services in our society."

Perhaps Miller is right. But the elderly, poor and middle class alike, face legal problems peculiar to being old in America. This past January the Supreme Court ruled that Greyhound Bus Lines could discriminate in hiring bus drivers based on age; a legitimate safety issue, the Court said, was at stake. Such decisions do not bode well for the elderly who must work, or for the many who have to work simply because they need something to do that makes them feel worthwhile.

So the elderly's problems extend well beyond economics. The poor do not live in nursing homes; old people do. The poor are not likely to have invested 40 years in pension plans only to watch them go broke; old people have. Most of us, rich or poor, are not hidden away in society's dark corners. The elderly are. But they are beginning to crawl out of the corners in which society has put them and have started demanding equal representation before the law.

Victims of the Dream

"Elderly clients? This is a *sexy* issue! You talk about law reform—well, the issues for the elderly today are only the tip of the iceberg." Paul Nathanson, 31-year-old head of the National Senior Citizens Law Center based in Los Angeles, has been giving himself pep talks like this for more than two years.

"What do you mean *sexy*?" answered the hundreds of Legal Services offices nationwide that were expected to use the center for research.

"What do you mean *sexy*?" answered the White House when it appointed Howard Phillips to break up the Office of Economic Opportunity, thus threatening to put Nathanson out of business.

But Paul Nathanson, who specialized in pension plans for the prestigious Los Angeles firm of O'Melveny & Meyers, knew that the elderly had friends. To find them he attended hours of legislative hearings around the country. He heard politicians talking a good story about helping the elderly with legal services, but they didn't seem willing to do very much. He also talked to old people—who, it turned out, had a lot to say about what was wrong with lawyers.

Today Nathanson's travels are paying off. In the past year, 45 legal services programs specifically for the elderly have been funded across the country, with individual grants ranging up to $70,000. Nathanson knows this still amounts to a mere fraction of the money available for legal services, but he is optimistic. He predicts that 100 offices will soon have some sort of program specifically for the elderly and, eventually, that there will be an attorney for old people in every legal services office in the country.

Through speech making, hounding elected officials, and constant propagandizing, the National Senior Citizens Law Center has wrought changes in the hearts and minds of powerful politicians. Even Chicago Mayor Richard Daley helped get funds for a legal aid office for the elderly in his city. And Florida, with the largest elderly population of any state, has funded legal aid offices for the elderly statewide.

Paul Nathanson has grown a few gray hairs of his own in his effort to publicize the plight of the nation's elderly. In March 1973, after six months on the job, he had a staff of two other attorneys and a clientele virtually hidden in a mound of demographic data. He had discovered that while the elderly make up 20 percent of the poor, they comprise only 6 percent of the legal services caseload nationally. And he was sure that old people had no lack of problems.

"Legal services offices used to say, 'We'll take anyone who comes in the door.' Well, that rules out old people immediately," says Nathanson. "They're simply not going to walk into a legal services office." The problem, he explains, is that the elderly have been taught not to accept charity. "They're the group that really bought the American Dream in the classical sense," he says. "They were told to work hard, keep to themselves, and never take handouts. Most of them were middle class during their working lives. Then they reach 65, and immediately they're poor. But they won't take what's rightfully theirs, even if it's for free, because they were told they were middle class and that it's wrong to take welfare. The poorer you are, the more adamantly you say, 'I'm not poor.' "

To understand these feelings, Nathanson says, is all important in dealing with the elderly. You can't expect to change them. If the potential client is white and against welfare because of racial bias, does that mean you stop trying to deliver the service that's needed? In some ways, Nathanson admits, government attorneys will find it difficult to substitute for private attorneys for this generation of the elderly. "The elderly poor," he told me in his office recently, "would rather have a private lawyer than what they see as a 'welfare' lawyer."

But because the private bar has not responded to the needs of the elderly, legal services lawyers will have to fill in the gap. Although Legal Services money has been available to the elderly through the Administration on Aging since 1972, it is only recently that legal services offices have been able to get at it. The increased interest may be partly due to cutbacks in other kinds of legal services funding, and the elderly have been virtually the only special interest group to get increased aid throughout the Nixon-Ford years.

Attacking the specific legal needs of the elderly, says Nathanson, has been "on the books" as a high federal priority for some time. But the Administration on Aging, originally funded under the Older Americans Act of 1965, preferred to wait for the big push. Administration Commissioner Arthur Flemming, says Nathanson, planned programs for information and referral first and casework projects later.

"This dissuaded legal services attorneys from even asking for the money," Nathanson says. "O.K., we said, if they're funding I and R, tell them you'll do I and R too." The center's efficiency is acknowledged even by the Department of Labor, which refers

most of its pension complaints to the center's Los Angeles and Washington offices.

The center's staff has grown in two years to nine lawyers, with specialties including probate, Social Security, age discrimination, consumer problems and taxation. Although the center cannot itself represent clients, its research has covered most of the meaty issues of administrative law and equal protection: mandatory retirement, due process in incompetency hearings, model probate codes, and Social Security benefits. Clarifying due process issues under the new Supplemental Security Income program will create an important precedent for national health insurance and guaranteed annual income programs, if these are finally enacted.

Although the center has for the last two years attempted to strengthen its position in the legal services delivery establishment, its future is in doubt. Political friends of the center, including California Senator John Tunney, are trying to insure that at least part of the $2 million appropriated for legal services through the Administration on Aging is specifically earmarked for the center. For now, Nathanson expects a supplemental OEO grant to carry them through this September. But the center is caught between the politics of the Administration on Aging and the new Legal Services Corporation. The latter is specifically prohibited by law from funding research, training, and clearinghouse support—exactly the kind of work the center has done best.

While waiting, Nathanson is, as always, optimistic. "Although the future of NSCLC is uncertain," he wrote in a recent center bulletin, "we would like to reiterate to all . . . those needing any sort of technical assistance . . . that we have no intention of slowing our operations or in any way diminishing our services."

SURGICENTER IN PHOENIX

Mr. FANNIN. Mr. President, 5 years ago a new medical facility called Surgicenter was opened in Phoenix. I have followed the development and the progress of this exciting concept closely, and I believe that it is proving to be an important innovation in reducing the cost of medical care.

Mr. President, the March issue of Prism includes a very interesting article on Surgicenter and the problems which have been encountered in attempting to extend this concept to other cities. 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:

[From Prism, March 1975]

WHAT FUTURE NOW FOR SURGICAL CENTERS?

(By Felicia A. Holton)

(Independently owned, free-standing ambulatory surgical centers (FASCs) have been increasing in number throughout the country during recent years. Wherever they appear, they offer opportunities and encounter problems uniquely their own. When Surgicenter of Phoenix, the prototype FASC, opened in 1970, Felicia A. Holton was among the first to report on it. Recently, PRISM's editors sent Ms. Holton back to Phoenix for a second look at the progress of this FASC. Here is her report.)

When Wallace A. Reed, M.D., and John L. Ford, M.D., opened Surgicenter of Phoenix, the first of a new kind of surgical clinic called a free-standing ambulatory surgical center (FASC), they knew they had come up with an innovation in the health care delivery system, but it was some time before they realized just how innovative it actually was.

The two anesthesiologists founded Surgicenter (now a registered trade name) to provide a place where both patients and physicians would receive more individual attention during comparatively simple operations in an independently owned, short-stay surgical unit, where patient care could be offered at a cost below that charged for similar procedures done in a hospital, and where the surgeons would retain the autonomy they enjoy as physicians in private practice.

When Surgicenter opened, it was housed in a one-story building, covering 5,240 square feet and contained four operating rooms, a waiting room, a dressing room, and pre-op and post-op rooms. In addition to the two owners, the staff consisted of four nurses and a secretary-receptionist. But within three months, Surgicenter was straining at the seams, trying to accommodate an average of 22 surgical procedures a day. "We had planned space and staff to take care of about seven to ten procedures a day," says Dr. Ford.

Today, the space has been doubled to 10,000 square feet, and it now includes another waiting room, two more operating rooms, a pediatric nursery, a business office and a pain clinic. Also, two additional anesthesiologists work at Surgicenter, the nursing staff numbers 24, and business manager Robert Williams heads a staff of 15. The center now averages about 30 surgical procedures a day (some days as many as 40), and an equivalent number of diagnostic and therapeutic blocks are performed daily in the pain clinic. More than 250 Phoenix surgeons use Surgicenter (without paying the center a fee), and in the more than 25,000 cases that have been performed there, no fatalities have occurred.

Patients are charged a flat fee that remains the same regardless of the amount of blood used, the number of supplies, or hours of nursing time involved. And the patient may find out two weeks in advance what the cost of his operation is going to be. The average bill is $120, compared to $70 in 1970, when the clinic opened.

GAINING CONFIDENCE

Surgicenter has expanded not only the volume but also the kinds of procedures being done. In the beginning, about 75 percent of the operations were comparatively simple one performed under local anesthetics, such as vasectomies, cystoscopies, and hernia surgery.

"The area's surgeons were very, very cautious, waiting to see what kinds of problems could be treated here," says Dr. Reed. "As time went by, they gained confidence in our ability to handle patients and began to bring in more complex cases.

"Early cases never took more than a half hour or 45 minutes, under anesthesia. Now surgeons are bringing in patients for operations lasting two or three hours for such procedures as periodontal work and arthrotomy of the knee. Dental surgeons are also using the Surgicenter for full mouth reconstructions."

The average length of stay for a patient is three and a half hours, and the most frequently performed procedure is a diagnostic D and C. Next comes laparoscopy with tubal coagulation. The center does not accept abortion cases; its founders chose not to risk involvement in any potential abortion controversy.

Surgicenter's phenomenal success has inspired scores of imitators to set up their own FASCs, but Drs. Reed and Ford note that it wasn't easy. Indeed, the success of Surgicenter of Phoenix will be hard to duplicate, for its founders brought special qualities of their own to the enterprise.

Drs. Reed and Ford possess a happy combination of talents. Ford, whose avocation is designing medical equipment (including a machine for inflating the abdomen during laparoscopy, and OBYGN stirrups of nonconductive nylon to prevent burns), provides a craftsman's skills. He helped design Surgicenter's building and its equipment. Reed, who has been active in Arizona's medical politics for years, provides leadership in that area.

Ambulatory surgical care, Dr. Reed points out, is not a new concept; it has been carried on in U.S. hospitals for years. However, in the majority of the nation's hospitals, minor surgery is done on an inpatient basis. In a survey of its members in 1973, the AHA found that among 6,079 reporting hospitals, 1,427 do outpatient surgery, and of those, only 44 have freestanding ambulatory surgical centers.

PRESENTATION OF PLANS

This complicates scheduling in the operating room. The usual practice in hospitals, of course, is to schedule patients for minor surgery in the regular operating rooms. Hence, patients in for minor surgery must often wait a long time before they are operated on, and they also get bumped from the schedule. Also, as inpatients, they spend one or two nights in the hospital, with all the attendant costs.

"We think it is unfair for a patient who needs minor surgery to subsidize the care of someone who requires major surgery, which is what happens in hospitals," says Dr. Reed. And he adds, "We avoid the heavy overhead of a hospital—charges for laundry, 24-hour x-ray machines—and can pass on the savings to the patient."

Dr. Ford summed up the reasons for setting up Surgicenter: "It became obvious to us over the years that a lot of cases were being done in the hospital that did not require hospitalization. One reason is the improvement of anesthesia.

"Before World War II the primary general anesthesia was ether. I haven't used ether in 15 years. And previously, one would have to spend a day in the hospital to recover from anesthesia. But patients do very well on modern anesthetics; they wake up rapidly in a condition to go home soon after surgery."

It was clear that Surgicenter might run into some stormy political weather. Dr. Reed, with long years of experience in the politics of medicine, realized that the plan would need the entire community's backing.

"We felt we should touch base with every person or organization in the community that would be influenced by the idea," Dr. Reed recalls. "We presented our plans before the medical societies at the county and state levels and before county and state comprehensive health planning agencies, although at that time there was no law on the books stating that we had to do so, and also before administrators of various hospitals."

The prudent physicians asked their local comprehensive health planning agency to help them set up criteria with which Surgicenter could monitor care. As a result, they set up an independent audit committee of five surgeons with five different medical specialties.

As a check on the caliber of the surgeons using the center, the committee inquires whether they have operating privileges in at least one hospital, and it also audits quality of care. Further, Surgicenter's founders worked out safety criteria with the Phoenix Fire Department. As one protective measure the doctors decided not to use explosive anesthetics.

When Surgicenter first approached commercial insurance companies, it met with some skepticism. But Joseph Clune, manager of the group insurance claims division

of Metropolitan Life, became intrigued by the FASC concept and flew out from New York for a personal inspection. He was joined by Norman E. Peatfield, M.D., a retired army medical corps major general who was then a consultant with Metropolitan and former head of CHAMPUS, the federal government's insurance program for dependents of service personnel.

OPPOSITION

Clune and Dr. Peatfield were immediately won over and agreed to reimburse Surgicenter on a two-year pilot basis, and other large commercial carriers followed suit. Today, Clune uses Surgicenter as a yardstick by which to measure other FASCs.

But Surgicenter did meet opposition from Blue Cross of Arizona, which refused reimbursement for facility fees. (Blue Shield pays surgeon's and anesthesiologist's fees; there has been no dispute here.

"Blue Cross of Arizona argued that under the plan's articles of incorporation, it could not provide reimbursement for a free-standing ambulatory surgical center," said Dr. Reed. "So I got a ruling from the Attorney General of Arizona stating that the plan could reimburse us without violating its articles of incorporation. Then the Blue Cross of Arizona board voted nine to five to reimburse us."

Surgicenter has no Medicaid patients because Arizona is one of her states that does not participate in the Medicaid program. Medicare honors Part B, the physician's fee, but until recently would not pay Part A, the facility fee, to any FASC.

It was not until April, 1974, that a federally financed study temporarily released Medicare funds. At that time the Orkand Corporation of Silver Spring, Maryand, began a two-year pilot project for HEW to study comparative costs of free-standing ambulatory surgical centers and hospital-run ambulatory surgical units. Surgicenter of Phoenix is the major subject of the pilot study, and Medicare Part A payments are being made to it during the study.

ENTHUSIASM

The internal ambience of an institution can be as important to its future as its financial backing. The first thing that strikes a visitor to Surgicenter is that a great deal of thought went into making the patients feel comfortable. Quite simply, the facility does not look like an institution, except for the exterior, which is indistinguishable from thousands of other physicians' office buildings. But inside, the furnishings and decor have been chosen by a discerning eye.

As might be expected, surgeons are responding with enthusiasm to the opportunity to work at Surgicenter. "A surgeon can do a lot of work here in a short time because of the efficiency and training of the staff and the efficient scheduling," says David Call, M.D., a pediatric surgeon.

One of the ways Suricenter makes efficient use of its operating space is that it sees to it that one operating room is never reserved far in advance. This enables a scheduled operation to be shifted there if the room originally reserved for the surgery is still in use when the scheduled procedure is ready to be performed.

"Hospitals usually don't have as much personnel for an operation, nor are they as skilled as they are here," Dr. Call continues. "Also, at Surgicenter the pre-op and post-op rooms and surgical suites are within 30 feet of each other. And we've reduced all chart work to a single sheet of paper."

Another Surgicenter innovation is the followup phone call its nurses make to patients the day after their surgery. The results are listed among the data recorded on the one-page medical record, which is coded for the computer. Further, the surgeons have a new way to save valuable time when examining their patients. A small tape cassette is attached to each medical record as a patient arrives. As physicians work on the patient, they pick up a recorder and tape the record, highlights of which are later transcribed onto the one-page document.

Hospital officials are becoming aware of the FASC's streamlined procedures. Said David Pent, M.D., an obstetrician-gynecologist: "When a hospital administrator asked me, 'Why didn't you doctors let us know you wanted outpatient surgery facilities?', I told him I had done three D and C's at Surgicenter, without rushing, in one hour. Generally, it takes an orderly at his hospital an hour to find the second patient and bring her to the operating room."

Patients are scheduled to arrive 45 minutes before surgery for screening. They are given a hemoglobin count and a urine test, and an anesthesiologist gives each a heart and lung examination before and after the operation. The center is open from 7:30 a.m. to 5 p.m., five days a week. The brief time required for treatment—an average of three and one half hours—pleases not only patients and families, but the patient's employers as well.

"We have noticed that when a person realizes he can be in and out of an operating room and back home on the same day, he has already taken a first important psychological step toward recovery," says Dr. Reed. Some patients return to work in the afternoon following surgery.

When Surgicenter opened in 1970, charging an average of $70 for an operation ($120 average now), four hospitals in the Phoenix area lowered outpatient surgery fees 30 to 50 percent. The center then charged $95 for a D and C (with an additional $10 charge made by the pathologist for laboratory fees). The usual charge for the same operation, with a two-day stay in a Phoenix hospital, was about $300 at that time. (Surgicenter has recently raised its fees, and a D and C now costs $121.)

The center has had an impact not only on the cost of ambulatory surgical care in Phoenix but also on the way such care is delivered. It is forcing hospital administrators to take a closer look at the high cost of their inpatient ambulatory surgery. If it is assumed that at least 75 percent of Surgicenter's patients would have been hospitalized for two days if the facility had not been available, then it follows that Surgicenter allowed Phoenix to use 34,500 fewer hospital days, from February, 1970, to September, 1974.

In response to the FASC's more efficient utilization of surgical facilities in the Phoenix area, Phoenix Baptist Medical Center and Scottsdale Memorial Hospital, have established their own free-standing ambulatory surgical centers. Also, Good Samaritan Health Services, which operates several hospitals in Arizona, including one across the street from Surgicenter, plans to include a new, streamlined unit for outpatient surgery when it replaces an existing hospital on Phoenix's west side. In addition, three other FASCs have opened in the area, and another is the planning stage. However, none of these facilities performs nearly the volume of operations that Surgicenter does.

The proprietors of new surgical centers need to know that setting up Surgicenter of Arizona cost Drs. Reed and Ford a good deal more than effort. Both partners suffered a one-third cut in income during the time it took to plan and establish Surgicenter.

"We had declared a salary for ourselves of $36,000 each per year, but we found we couldn't meet it in the first year of operation," Dr. Reed says. "We are now making more than that," he adds, "but we are still earning far below what we would have, had we practiced as before." But this year, for the first time, the center's founders have been able to draw managerial salaries from Surgicenter, above what they make in anesthesiologists' fees.

The success of their initial venture has led Dr. Reed and Dr. Ford to establish a framework for expanding, Surgicenters of America, Inc. Together with a group of investors from Hartford, Connecticut, they hope to duplicate their Phoenix clinic in other cities.

As the FASC idea becomes more widely known, increasing numbers of physicians are expected to travel to Phoenix and head for the low building on McDowell Street that houses Surgicenter. There, they will observe a laboratory of the FASC idea, and then they will try to establish it in their own communities.

THE FASC CONCEPT: ITS PROBLEMS AND POTENTIAL

Physicians who attempt to start free-standing ambulatory surgical centers (FASCs) find that it is not an easy task. They usually have to battle the established health-care delivery system to become operational and solvent. Some FASCs are merging triumphant; others are folding from lack of support.

Each institution in the health care field has its own, characteristic reaction to FASCs:

Comprehensive health planning agencies question the need for a new facility in communities where FASCs appear.

Blue Cross plans argue that surgical care belongs in hospitals.

Hospital administrators (many of whom sit on boards of Blue Cross and comprehensive health planning agencies) say that the community receives no savings from FASCs because when minor surgery is removed from a hospital's operating rooms, the cost of major surgery must be raised to cover the hospital's fixed costs. Where hospital administrators are unsuccessful at squelching these unwelcome new neighbors, they scramble to meet the competition for health care dollars by lowering fees for outpatient surgery or by putting up their own FASCs.

One of the hurdles that must be overcome is procurement of a certificate of need, which is required in 26 states. In these states, a hospital or health planning facility that is planning any building or expansion must prove the need to a Community Health Planning agency, an organ of certain state governments. Obtaining the certificate can be a long and expensive process.

In many states, Blue Cross will not grant reimbursement to an FASC until it has received this certificate, and an FASC can suffer months of losses while waiting.

In addition, Section 1122 of the Social Security Act, which deals with limitation of federal reimbursement for authorized capital expenditures, stipulates that unless there has been prior approval by the designated state agency (usually the health planning agency) for a capital expenditure in excess of $100,000, the institution may lose some portion of its reimbursement under Medicare, Medicaid, and certain other federal programs.

The Joint Commission on Accreditation of Hospitals (JSAH) had adopted guidelines for non-hospital ambulatory health care centers, including FASCs. These guidelines may become standards when an accreditation program is worked out for such facilities.

In 1971, the American Medical Association set forth criteria for regulation of FASCs, but pending development of JCAH standards for accreditation, these were put on the shelf. The AMA Board of Trustees is studying involvement in the possible establishment of an Accreditation Council for Ambulatory Health Care Facilities under the JCAH. Also in 1971, the AHA drew up a list of criteria.

One AMA trustee, Daniel Cloud, M.D., member of a four-man pediatric surgical team that frequently uses Surgicenter of Phoenix, expressed his concern about the need for regulations:

"The Achilles heel of Surgicenter could be that it may not be reproduceable. Dr. Reed and Dr. Ford are highly ethical people, who brought unique qualities to Surgicenter. Their primary concern has been to maintain their personal integrity and that of their institutions at the highest possible level. Many of us have serious reservations about other people copying this institution."

The American College of Surgeons states that it prefers hospital-affiliated or hospital-based short-stay surgical facilities.

Robert S. Peterson, senior vice-president, provider affairs, for Blue Cross of Illinois, stated the case for most Blue Cross plans:

"We believe the place for ambulatory surgery is in a building that is already built, which is a hospital. They have 24-hour round-the-clock coverage, and no problem about transferring. You don't have to go out and buy a plot of land, or do anything other than make some space within the confines of the hospital. It fits well into the outpatient department of a hospital."

M. Robert Knapp, M.D., who, with four other anesthesiologists, is a cofounder of the Minor Surgery Center, Wichita, Kansas, predicts the controversy over FASCs will continue:

"We have calculated that even under the best of circumstances, we will never take over one-half of one percent of what is generated for hospital revenues here in Wichita. I think the larger issue is that hospitals feel threatened in other areas. If minor surgery has been taken out of the hospital, why not other procedures—respiratory therapy, or radiology therapy?"

Despite the defensive reaction of many hospital administrators, the FASC idea is spreading. A group of physicians and interested laymen met in Phoenix in November, 1974, and founded a new group, entitled the "Society for the Advancement of Free-Standing Ambulatory Surgical Care." Dr. Reed, cofounder of Surgicenter of Phoenix, is president of the 28-member body, 25 of whom are physicians. At present, the society sees its role as an informational one and plans to keep its members actively informed about developments in their respective areas.

REPORT TO BUDGET COMMITTEE

Mr. MOSS. Mr. President, on Friday I forwarded to the Senate Budget Committee the "Views and Estimates" of the Committee on Aeronautical and Space Sciences, as required by section 301(c) of the Congressional Budget Act of 1974.

To assure that my colleagues may have prompt access to these views and estimates, I ask unanimous consent that my letter and the accompanying material be printed in the RECORD.

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

COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
Washington, D.C., March 14, 1975.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter and the enclosures set forth the views and estimates of the Committee on Aeronautical and Space Sciences, as required by section 301(c) of the Congressional Budget Act.

This being the first of these submissions under the new Act, a few words of background seem in order. The basic programs within the legislative jurisdiction of the Committee on Aeronautical and Space Sciences—programs conducted by the National Aeronautics and Space Administration—fall in two functional categories of the FY 1976 budget submitted by the President. Appropriations in these categories, "General Science, Space and Technology" and "Commerce and Transportation", have grown at a rate far less than inflation in recent years, as shown in Chapter III of the Senate Budget Commitee Staff Study released last week. This shortfall is particularly notable in the case of NASA funding.

ECONOMIC CONSIDERATIONS

Outlays for NASA programs peaked in the mid-1960's at nearly $6 billion annually. In constant dollars, funding has steadily declined since 1966 to well less than one-third of the maximum level.

Similarly, from a high point in 1964 and 1965 of nearly 4% of total Federal budget authority, NASA program requirements have dropped to 1% or less in each of the last three years.

As space and aeronautics R&D budgets are highly labor intensive, this funding fall-off has led to a sharp decline in employment. From a peak employment of 420,000 in government, industry and universities, the NASA workforce has dropped to just over 100,000 at present.

Over the long term, increased productivity is the basic economic impact of Federal expenditures on high technology. In the NASA case, this increased productivity is manifested both through direct applications of aeronautical and space technology—as with improved, more economical communications, resource monitoring and weather forecasting via satellite—and through indirect means. These indirect benefits stem from the development, dissemination and application of advanced technology in many other sectors of the economy—as with computers, miniaturized electronic devices, enhanced medical diagnostic and treatment equipment and improved materials. Independent studies show that the rate of return on our investment in NASA programs exceeds 30% per year. These economic benefits increase job opportunities correspondingly.

In the near term, NASA outlays have direct effects on employment. Nearly ninety cents of the NASA dollar goes to jobs, and only 10 to 15% for materials. Of perhaps equal importance today, NASA spending is largely in industries experiencing underemployment and having unused plant capacity. Thus NASA expenditures are non-inflationary both in the long term, because of productivity effects, and in the short term, because of the state of the related industries.

A word about balance of trade. Only the export of high technology products, such as computers and aircraft, and of agricultural products have avoided massively negative U.S. trade balances in recent years. Until we achieve, or at least approach, energy self-sufficiency, oil imports will cause a continuing dollar drain. NASA programs directly and strongly support the very industries that have the greatest promise for continued and expanding export surpluses—aerospace and high technology electronics. In addition, the rapidly approaching capability, through satellites, for worldwide crop monitoring and long range weather prediction will greatly benefit our other strong export industry, agriculture.

PROGRAMMATIC CONSIDERATIONS

The budget authority and outlays projected in the enclosure for FY 1976 and for the transition period, July 1, 1976, to September 30, 1976, are for the National Aeronautics and Space Administration. Congress has, since 1960, required annual authorization of all NASA activities—whether short or long term programs.

It is the nature of research and development, however, that such activities normally involve a long time span for conception to visible, useful results. A spacecraft development project requires an average of four to five years from project go-ahead to launch. Normally, the go-ahead is given only after a considerable amount of time and money has been expended on studies to determine technology readiness, feasibility and scope of the project. An approved project results in the establishment of manpower, material, and funding projections and plans over the project life.

Projects which—like most of NASA's—do not lead to a production run, tend to follow a natural funding requirement curve which can be significantly modified only at considerable program cost or waste. That is, with rare exceptions, it is not cost-effective to increase funding too rapidly at the beginning of a project; and, conversely, artificial restraints on the growth, peaking and fall-off of funding (and thus manpower) tend to result in slowing or stopping progress toward project completion and thus to increase total project cost.

Most of the NASA R&D budget consists of the cumulative funding needs of the many approved projects going forward in the budget year. In a given year, the funding requirements of some projects will be increasing toward, or at, peak levels, while other projects will be past their funding rates and headed toward zero.

Thus, the NASA budget is not a logical candidate for significant short-term fiscal stimulation or restraint. This is so not only because of the relatively small short-term fiscal role it plays—$3½ billion in a $1.4 trillion economy—but also because the natural, multiple project requirements would make a sudden outlay increase of, say, $1 billion, quite wasteful, just as a decrease of $1 billion would be totally disruptive.

In addition to the larger, more visible projects, the NASA R&D activity involves a number of research and technology development tasks—typified by much of the aeronautical research program—conducted on a "level-of-effort" basis to develop the fundamental knowledge to support future activities or to solve difficult problems encountered on approved projects. Accordingly, a smaller but important part of the NASA R&D budget represents funding for the sum of level-of-effort type activities during the fiscal year.

The FY 1976 request is the fourth annual budget NASA has submitted since the long-range program and budget plan known as the "constant budget" approach was established for NASA. In FY 1971 and 1972, the NASA budget had been cut almost in half—from nearly $6 billion at the peak of the Apollo program to about $3.4 billion—but the program as planned at that time would have required large increases in future years. In 1972 the Administration proposed, and the Congress approved, the development of the reusable Space Shuttle as the principal project to advance space technology in the 1970's. As a part of this proposal, NASA also presented a revised program plan under which *total* NASA expenditures would not have to exceed the then current level of $3.4 billion, except for inflation. The Congress endorsed this less ambitious program within the "constant budget" level, in effect agreeing with NASA that fiscal constraints, in the early 1970's at least, probably would not permit an increased space budget, that stability and continuity in the program were essential and that aeronautics and space programs should be conducted in such a way that the total level of future commitments required was clearly limited in advance.

Since FY 1973, Congress has approved NASA budget requests substantially as submitted. But the requests have been steadily reduced well below the $3.4 billion level, measured in equivalent dollars. The effect of these shortfalls is a NASA budget for FY 1976 some $600 million below the "constant level" approved in 1972, with corresponding deletions, deferrals and costly stretchouts of numerous projects.

In preparing these Committee views and

estimates, we have considered the helpful suggestions on format provided by the Budget Committee staff. This letter covers the appropriate points under "Part I" of the staff-suggested format. Parts II and III are not applicable this year to matters within the jurisdiction of the Committee on Aeronautical and Space Sciences. The enclosure provides the information requested in "Part IV", and also additional information which, while not requested, may be useful in your deliberations.

Sincerely,

FRANK E. MOSS,
Chairman.

Enclosures.

COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES,
March 14, 1975.

This enclosure to the letter from the Chairman of the Committee on Aeronautical and Space Sciences sets forth additional views and estimates of the Committee. The letter provides general comments on the economic and programmatic considerations implicit in those portions of the FY 1976 Federal budget related to aeronautical and space activities as defined in the National Aeronautics and Space Act of 1958.

ATTACHMENT A

Attachment A sets forth estimated budget authority for and outlays by the National Aeronautics and Space Administration for FY 1976 and the Transition Quarter, in accordance with Part IV of the format suggested by the staff of the Senate Budget Committee.

As indicated in Attachment A, appropriations for NASA programs fall in two functional categories in the President's budget: those elements most closely related to space efforts in "General Science, Space and Technology"; and those elements most closely related to aeronautics activities in "Commerce and Transportation".

With respect to the space program efforts, the NASA research and development is directed toward advancing our knowledge of earth and its space environment, and toward developing and utilizing space technology to accomplish National goals. The program is conducted through the following elements:

Manned Space Flight. A program to develop and utilize the capabilities of manned space flight, including an international cooperative space docking mission, building on the success of Apollo and Skylab, and development of the Space Shuttle as an economical, versatile space transportation system to provide a wide variety of users with routine, round trip access to space.

Space Science. A space flight program, supported by extensive ground-based and airborne investigations, to further our knowledge of the earth, the atmosphere, the moon, the sun, the planets, interplanetary space, and the stars.

Applications. A research and development program using space, aircraft, and ground systems to identify and demonstrate the useful applications of space techniques in such areas as weather and climate, pollution monitoring, earth resources survey, earth and ocean physics, communications, and space processing.

Space technology. A program to acquire fundamental knowledge and develop the technology needed to maintain United States leadership in space programs.

Tracking and data acquisition. A worldwide program to support the manned and unmanned programs of the agency.

Energy technology applications. A program to assist in insuring the attainment and maintenance of national energy self-sufficiency, designed to identify aeronautics and space technologies of importance to the energy community.

Technology utilization. A program to accelerate the dissemination to government, industry and other users of the technological and engineering information gained during NASA missions.

Construction of facilities. A program to provide for the acquisition of institutional and research and development facilities to support the research programs, and the rehabilitation and modification of existing facilities to maintain their readiness to support new and/or changing technologies.

Research and program management. This appropriation includes funding for research in Government laboratories, management of programs, and other activities of NASA. Principally, it is intended to (1) provide the civil service staff to conduct in-house research, and to plan, manage, and support the Research and Development programs, and (2) provide other elements of operational capability to the laboratories and facilities such as logistics support and technical and administrative support.

NASA aeronautical research and development is directed toward developing and utilizing aeronautics technology to accomplish National goals. The program is conducted through the following elements:

Aeronautics technology. A program to acquire fundamental knowledge and develop the technology needed to maintain United States leadership in aeronautics programs.

Construction of facilities. A program to provide for the acquisition of institutional and research and development facilities to support the research programs, and the rehabilitation and modificaton of existing facilities to maintain their readiness to support new and/or changing technologies.

Research and program management. This appropriation includes funding for research in Government laboratories, management of programs, and other activities of NASA. Principally, it is intended to (1) provide the civil service staff to conduct in-house research, and to plan, manage, and support the Research and Development programs, and (2) provide other elements of operational capability to the laboratories and facilities such as logistics support and technical and administrative support.

The Committee concluded hearings on the NASA authorization request for FY 1976 and the Transition Quarter this week. Markup of S. 573 has not yet begun. It is likely that the Committee will recommend both a number of deletions or reductions from the NASA request and a number of additions to the programs for which continuing authorization is sought. However, it is highly unlikely that the net results of these reductions and increases will be of such magnitude as to have macroeconomic effects in either the short or long term. Therefore, the estimates set forth in Attachment A (and Attachment B) reflect the President's budget estimates and the justifying material submitted by NASA. The Committee believes that, for this year, these estimates should be sufficient for the purposes of section 301(c) of the Congressional Budget Act.

Aside from the NASA authorization bill, several other bills which could authorize additional appropriations for NASA are pending before the Committee. In most instances no hearings have been held on these bills. However, in the unlikely event of enactment of all these bills, and subsequent appropriations of the funds authorized, the effect on NASA funding in the coming fiscal year would be only a few tens of millions of dollars.

ATTACHMENT B

The information contained in Attachment B, while not specifically requested in "Part IV" of the Senate Budget Committee staff format, may be of help to the Budget Committee in its deliberations.

Attachment B sets forth estimates of the funding implications of the FY 1976 budget in terms of new obligational authority for Fiscal Years 1977 through 1980. The Committee estimates that outlays in those years would not differ significantly from the new obligational authority estimates.

The total set forth for FY 1977 includes $50 million estimated by the Office of Management and Budget as available for new starts. The subsequent years include allowances for runout costs of the FY 1977 new starts. However, no provision is made for new starts in Fiscal Years 1978 through 1980 and no provision is made for inflation in any year after FY 1976.

It should be recognized that the estimates in Attachment B for Fiscal Years 1978 through 1980 reflect the phase down and completion of various previously approved programs, as discussed in the letter forwarding this enclosure. The Committee would estimate that the obligational authority for fiscal years subsequent to the Transition Quarter would reflect a gradual rise toward the "constant level" of $3.4 billion in 1971 dollars discussed in the forwarding letter.

NASA AUTHORIZATION FOR FISCAL YEAR 1976 AND TRANSITION PERIOD JULY 1, 1976, TO SEPT. 30, 1976

[In thousands]

Functional code		NOA (outlays) fiscal year 1976	NOA (outlays) transition period
250 (253) (254)	General science, space, and technology	$3,224,815 (3,181,700)	$875,100 (823,100)
(255)	Authorization and appropriations bill category:		
	Research and development	2,503,030 (2,438,200)	683,800 (615,500)
	Construction of facilities	79,985 (101,700)	14,500 (30,800)
	Research and program management	641,800 (641,800)	176,800 (176,800)
400 (405)	Commerce and transportation	314,185 (316,300)	83,800 (82,100)
	Authorization and appropriations bill category:		
	Research and development	$175,350 (175,700)	$46,800 (44,400)
	Construction of facilities	4,635 (6,400)	0 (700)
	Research and program management	134,200 (134,200)	37,000 (37,000)
	Total NASA by authorization and appropriations category	3,539,000 (3,498,000)	958,900 (905,200)
	Research and development	2,678,380 (2,613,900)	730,600 (659,900)
	Construction of facilities	84,620 (108,100)	14,500 (31,500)
	Research and program management	776,000 (776,000)	213,800 (213,800)

ATTACHMENT B

PROJECTION OF NEW OBLIGATION AUTHORITY FOR NASA THROUGH FISCAL YEAR 1980[1]

[In thousands]

Functional code		NOA, fiscal year— 1977	1978	1979	1980
250 (253)	General science, space, and technology	$3,310,800	$3,085,800	$2,695,800	$2,231,800
	Authorization and appropriation bill category:				
(254)	Research and development	2,523,000	2,354,000	1,978,000	1,531,000
(255)	Construction of facilities	146,000	90,000	76,000	63,000
	Research and program management	641,800	641,800	641,800	641,800
400 (405)	Commerce and transportation	314,200	314,200	314,200	314,200
	Authorization and appropriation bill category:				
	Research and development	180,000	180,000	180,000	180,000
	Construction of facilities	(2)	(2)	(2)	(2)
	Research and program management	134,200	134,200	134,200	134,200
	Total NASA by authorization and appropriations bill category	3,625,000	3,400,000	3,010,000	2,550,000
	Research and development	2,703,000	2,534,000	2,158,000	1,711,000
	Construction of facilities	146,000	90,000	76,000	63,000
	Research and program management	776,000	776,000	776,000	776,000

[1] Amounts contain no provision for impact of future inflation, or for new program or project starts after fiscal year 1977.

[2] Amount for aeronautical facilities not presently identifiable, and therefore is included in NASA construction of facilities requirements for function category 250.

EASTER SEAL SOCIETY AND HOUSING FOR THE HANDICAPPED

Mr. PERCY. Mr. President, recently a report issued by the National Easter Seal Society came to my attention. This is a report of a meeting recently conducted by the Easter Seal Society in its offices in Chicago. The purpose of the meeting was to continue the Easter Seal Society's participation in the area of housing for the handicapped. The report points up the society's activities in a new project it is undertaking along with the President's Committee for Employment of the Handicapped and the Department of Housing and Urban Development. I would like to share the report with my colleagues and ask unanimous consent that it be printed in the RECORD.

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

REPORT OF THE EASTER SEAL SOCIETY MEETING ON HOUSING STANDARDS, JANUARY 8, 1975

In conformity with the leadership role of advocacy for and in behalf of the handicapped, the National Easter Seal Society for Crippled Children and Adults hosted a meeting in the Society's Chicago office on January 8, devoted to the establishment of housing standards for the physically handicapped.

The Easter Seal Society serves along with the President's Committee on Employment of the Handicapped as advisor to the Department of Housing and Urban Development in a program to update and expand the existing American National Standards for making buildings and facilities accessible to, and usable by, the physically handicapped. HUD's Office of Policy Development and Research is sponsoring this Standards project and recently awarded a two-year contract to Syracuse University School of Architecture to perform the necessary research and testing.

The project will seek to expand the existing American National Standards, which applies principally to public buildings, to include dwelling units and related exterior spaces, including single and multi-family housing and mobile homes. The new Standards will be submitted to the American National Standards Institute (ANSI) for adoption and should then have widespread impact on the design of housing and the environment in the United States. The existing Standards are nationally accepted and form the basis for most of the Federal and State legislation on barrier-free design. HUD authorities expect that such legislation will be amended to include the new Standards after they are adopted; the new Standards will also be submitted to the Standards Branch of the Federal Housing Administration of HUD for inclusion in the Minimum Property Standards.

Present at the Chicago meeting were representatives from the Department of Housing and Urban Development, the President's Committee, the American National Standards Institute, and Syracuse University.

In welcoming the group to the Chicago Easter Seal office, Miss Jayne Shover, Executive Director of the Society, recalled efforts of Easter Seals, dating back over twenty years, aimed at integrating physically handicapped persons into their communities.

The Easter Seal programs initiated in the last deacde to establish and promote the original ANSI Standards may have significant relevance to the Housing Standards being developed at Syracuse. It was to offer an exchange of helpful information that Easter Seals had extended invitations for the January 8 meeting.

A U.S. VIEW OF REFUGEE PROBLEMS

Mr. KENNEDY. Mr. President, recently, Ambassador Frank L. Kellogg, special assistant to the Secretary of State for Refugee and Migration Affairs, delivered a thoughtful address at the University of Cambridge in England on refugee problems and the U.S. policy and role in helping to solve those problems.

I believe Ambassador Kellogg, who has long been a forceful advocate of international refugee assistance, has issued an eloquent challenge to all governments to respond to the worldwide refugee problem.

Ambassador Kellogg, who formerly was a Director of the International Rescue Committee, is the senior U.S. official concerned with refugee matters. He has pressed our own Government for more adequate refugee assistance programs and he has been a major force in the international community as well. I share his view that we must devote greater resources to the relief needs of the refugees and to the encouragement of international standards of conduct that will prevent the continued creation of new generations of homeless and dispossessed peoples.

Mr. President, I ask unanimous consent that the address by Ambassador Frank L. Kellogg be printed in the RECORD.

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

HUMANISM, PRAGMATISM: A U.S. VIEW OF REFUGEE PROBLEMS

(By Frank L. Kellogg)

The tragedy is that positions like mine have to exist at all. We've gone in this century from pax Britannica through a war to save the world for democracy, the League of Nations, a second world war and its Atlantic Charter, establishment of the United Nations, adoption of the Universal Declaration of Human Rights. We ought to be seeing the spread of just and humane societies. What we have is oppression or at least denial of freedom in the totalitarian countries of right and left, conflict in Asia, tribal violence in Africa, Israelis and Arabs in long dispute in the Middle East, and, just to come full circle, Catholics and Protestants hard at it in Ireland and Turks and Greeks once again contentious in the Mediterranean.

Our J. William Fulbright—a Rhodes Scholar by the way—has just retired after 30 years of statesmanship in the U.S. Senate. He has described the situation as well as I've heard it—incidentally at Westminster College in Missouri, where Winston Churchill made his famous "Iron Curtain" speech. "It is one of the perversities of human nature," Bill Fulbright said, "that people have a far greater capacity for enduring disasters than for preventing them, even when the danger is plain and imminent."

Our perversities, then, have created in our time what some already have begun to call the Century of the Refugee—not a 20th century of human rights but the century of the homeless and the persecuted. I've been in my present post more than four years now, and during that period—despite large resettlement programs—we've never counted around the world fewer than 5 to 6 million refugees at any one time; it has gone all the way up to 18 million. My colleagues who have given their full careers to this work, and my reading, tell me it has been the same since World War II and before.

Dr. Kissinger, in his first speeach as Secretary of State, identified as the ultimate goal of American foreign policy a world which will protect the right of every man to freedom and dignity. Philosophers have begun to talk about not four but five basic human rights—life, justice, political freedom, religious freedom and now the right to food. One wonders whether there may not soon be a sixth, the right to fossil fuel or at least energy. The point is that as life on our planet becomes more complicated and our resources less plentiful, instead of allowing old animosities to continue to erupt and new ones to flare, we are going to have either to set the course of history again toward the cause of human rights or, ultimately we are going to face the inevitability of really catastrophis wars.

Even when mankind turns in this right direction, it will be a long road. For the foreseeable future and beyond, as I view it, we are going to have masses of refugees in any case. Considering the state of the world, one of the most unrealistic assessments at the United Nations is that refugee problems are temporary and that the mandate of the High Commissioner for Refugees need be extended only five years at a time. Positions like mine, institutions like the UNHCR and the Intergovernmental Committee for European Migration (ICEM), in my opinion are going to have to be continued in one form or another for years to come; they are going to require more, not less, support from such agencies as the World Health Organization (WHO), the World Food Program (WFP), UNICEF, the U.N. Development Program (UNDP), the International Committee of the Red Cross (ICRC) and the others. And if their programs are to succeed, they are going to demand continued support not only from countries like yours and mine with humanitarian traditions but from those of the new-rich nations not hitherto noted for compassionate interest in the dispossessed in foreign lands. There is a work of persuasion to be accomplished here.

We are having our economic problems in the United States, as are you over here. Some in my country are beginning to ask questions about admission of refugees in a time of unemployment, and about the amounts of expenditures overseas. Let me say at the outset I am entirely confident that come what may, we Americans are going to continue to contribute our share in commodities and money, to defend the right of freedom of movement, to exert our share of leadership in international humanitarian affairs. From what I know of my country, majority public opinion will have it no other way.

Let me talk about this for a minute—at the risk of seeming to belabor the obvious. We have been a nation of refugees from the beginning. When the British took New Amsterdam from the Dutch in our early colonial times, they found refugees there speaking 14 different languages. Not long after establishment of this college, when religious persecution on this side of the Atlantic brought our first settlers to New England—the fact that they promptly began to persecute each other is incidental—they established a legend which is taught to every American child: that the refugee Pilgrims and the Puritans crossed the ocean in search of the freedom they could find only in America.

Consider our Revolution. I have heard the suggestion that what with all the troublemakers you British got rid of, you might well celebrate our July 4 Independence Day on this island as your Thanksgiving Day. Those renegades of yours—our Founding Fathers—had practical reasons for cutting the umbilical cord to King George's England, but they were fired also by ideology, the ideas which found expression in our Declaration of Independence of 199 years ago, and our Bill of Rights. Their ideology had its roots, of course, in the history of this island and the philosophies of enlightened thinkers of that era over here, especially in England, France, Germany. So they were in great part your doing, these American notions of man's right to life, liberty, and the pursuit of happiness. From the beginning we have insisted on them not just as the rights of Americans but of all men. Presidents have made this point repeatedly, from Jefferson through Lincoln, Wilson, Franklin Roosevelt and John Kennedy, into the present. Our churches teach it, most of them. Humanitarian leaders espouse the cause. Members of the American Congress continue to insist on it—sometimes, as you may note currently, to the jeopardy of our diplomatic objectives and concepts of national security—a broad problem to which President Ford is giving serious attention.

There are other factors in this public opinion equation which should not be overlooked. There are our immigrants, nearly 50 million refugees and others over the years, who with their children and grandchildren form ethnic blocs alive to American tradition and very prompt and forceful to remind the government of its humanitarian duty. There is among us, I sometimes feel, a little of a sense of guilt at our affluence in the face of human suffering abroad. There seems to be in our ethos a special compassion for the overseas dispossessed, to the point that some Americans complain we should apply it equally to our underprivileged at home.

Whatever the motivation of the individual, Americans do open their purses when the voluntary organizations make their appeals for refugee-assistance funds, and they do exert pressure for government intervention, financial or diplomatic, when refugee situations arise. A measure of magnitude of the result is that our Congress, during the four years of my own service alone, has provided well over $1.2 billion for refugee programs—programs which have helped support, repatriate or resettle about 4 million persons a year, plus nearly 10 million Bengalis in the great sub-continent crisis of 1971–72.

I hope I do not give the impression I overlook the materialism or other faults of our modern society, nor that I claim for my country any monopoly of virtue in humanitarian matters. I am well aware that the fires burn as bright or brighter elsewhere. I recognize there are compassionate people, especially in Western and Northern Europe, who with their governments are regularly more generous than we to refugees, in terms of population and resources. During conferences at Geneva and elsewhere, I am privileged to meet international leaders in humanitarian affairs, and I not they come from diverse societies in many parts of the world. If I dwell on my country's role it is because of my conviction that the national tradition I have discussed is of overriding strength, and combined with our wealth, size and power will keep thrusting us into the forefront in humanitarian affairs. I dwell on this also because as I construe your invitation, it is what you want me to talk about.

What, then of U.S. policies and concepts in refugee affairs—what of today's problems?

Given a more perfect world order, the U.S. would prefer to leave refugee assistance to the multi-national organizations and the voluntary organizations, paying our fair share of the cost along the way and providing leadership as opportunity occurs. But realism compels me to predict you will continue to see, for the foreseeable future, a mix of U.S. support for UNHCR, ICEM, ICRC with unilateral operations such as our U.S. Refugee Program, established in 1952 to assist escapees from Eastern Europe. As I see it today, it would be politically impossible for us to phase out USRP. We are watching with interest signs of modification of travel restrictions in that area, notably in Poland, Romania, Czechoslovakia. But until there is recognition in the communist countries of something at least approaching the full right of freedom of movement, I doubt U.S. domestic public opinion will stand for withdrawal of our support of their refugees. Nor will the aims of our foreign policy permit it, for as Secretary Kissinger has made clear, in seeking détente we have no intention of abandoning our dedication to the cause of human rights. USRP annually is helping support 7,000 to 8,000 persons in countries of first asylum and assisting their resettlement in third countries, it is also involved in the Soviet Jewish program I'll be discussing in a minute, it has been with us for 23 years, and will be with us, I expect, for quite a long time to come.

Those of you familiar with the American political scene recognize that we are in the midst of a mini-revolution in our national legislature and in relations between the legislative and executive branches of our government. This isn't exactly new to me, for it has been nearly three years since the Congress took the bit in its teeth and instructed the Department of State—specifically my office—to undertake a program to assist Israel in its resettlement of Jews from the Soviet Union. This was a political act, reflecting public opinion, expressing a defense of the right of freedom of movement but more basically, humanitarian support for Israel itself. We've spent more than $85 million since 1973 helping Israel develop its infrastructure for reception of Soviet immigrants—absorption centers, housing, medical training facilities—and in assistance, scholarships, vocational training, care and maintenance and the like for individual immigrants. And I expect we'll be spending many millions more as time passes.

It is a program which has seen an interesting development presenting a challenge to the full international humanitarian community. Some Soviet Jews have sought emigration to countries other than Israel, notably my own, and some, having reached Israel, have decided to move from there to the West. This has resulted in concentrations of these migrants in Rome, Brussels, Paris, West Berlin. It has provoked efforts of the receiving countries to restrict the flow. There are humanitarian problems here, problems of principle as well as the logistics of assistance, which have us and others deeply concerned and which are going to have to be solved.

A cardinal conviction of U.S. refugee policy supports the thesis that although assistance to refugees is necessary in emergency situations, these dole-type programs are in fact secondary. It is central in these situations, beyond shelter and simple sustenance, to secure the civil rights of refugees and, above all, to work toward their rapid repatriation or resettlement. Prince Sadruddin Aga Khan, the U.N. High Commissioner for Refugees, has stressed these points on many occasions. They are not especially new. Whether instinctively or not, the Western nations recognized them in the wage of World War II. Had it not been for the successful large-scale efforts in those years to repatriate or resettle literally millions of displaced persons, we would today have irredentist problems all over the place in Asia as well as in Europe. The lesson has been applied repeatedly since then—Hungary, Algeria, Czechoslovakia, the Sudan. India only three years ago wisely insisted there could be no thought of a permanent relief program for her flood of refugees from what had been East Pakistan; we witnessed their dramatic return to Bangladesh.

Contrast this with what has happened elsewhere. Where you have long-standing, institutionalized welfare programs without repatriation or resettlement, what you get is a spinoff from the camps of hijacking and terror—perpetuation of an intolerable threat to peace.

It is a matter of great concern to us that something of the kind may today be developing in Cyprus. For I repeat, it is basic that continuing refugee situations, if allowed to fester, put peace in jeopardy. Unless diplomacy, unless world opinion can be brought to focus on the proposition that humanitarianism and human rights should be central in politics, that no matter how deeply their plight is involved in the particular strife, dispossessed masses of refugees must not be allowed to become pawns in disputes—unless we can bring this about, we are not going to be able to turn the course of history around.

To accomplish it will be uphill work. It is a matter of attitudes of nations and peoples, of the marshalling of world public opinion. It may take another cataclysm or two to set us firmly on the track. Meanwhile men of good will can chip away at the challenge. Let me conclude by discussing briefly an American initiative in this area—an effort to bring about wider acceptance of an important human rights treaty, the Convention and Protocol on the Status of Refugees.

The sad fact is that 24 years after the Convention was adopted at Geneva, 8 years after its 1967 Protocol was opened for signature, there still are more than 70 member states of the United Nations which have not acceded. This is a subject I had the opportunity to bring to the attention of jurists and lawyers from 128 countries at the World Peace Through Law Conference held at Abidjan, Ivory Coast in August of 1973. The matter has been one of great concern to the High Commissioner for Refugees; Prince Sadruddin last summer appealed directly to 73 non-signatory countries to start moving toward accession.

In Washington, as a beginning, we have started to approach these countries through their Chiefs of Mission, urging them to bring the matter to the attention of their governments. I have talked thus far with the Ambassadors of Japan, Iran, Venezuela, Spain, India, Sri Lanka, Nicaragua, Guatemala and the Dominican Republic and will be talking with others—Mexico, Indonesia, Panama are on my initial list, with more to come.

It is not a shotgun plan. We are concentrating first on nations we believe will be most receptive, and on Asia and Central America because accessions are spottiest in these areas.

The private-sector World Peace Through Law movement, which is centered in Washington and has influential members in most of the non-signatory nations, is working along similar lines—not only to urge governments to accede to the treaty but also to devise even greater legal protection of refugees and their rights. For example, World Peace Through Law has established a Select Joint Committee with the International Law Association, headquartered in London; the Committee is in the course of a two-year study of what needs to be done.

We thus have three separate but cooperative efforts directed toward the common objective—our own, that of the UNHCR in the multi-lateral context, the jurist and lawyer approach on the local scene. We look to governments and public opinion in those nations which have long since acceded—including the United Kingdom and all of Western Europe—to support this effort as opportunities arise.

The Convention, with its Protocol, establishes the legal rights of refugees which are necessary to them if they are to cease being refugees. It defines their protection, provides for their asylum in the signatory countries. It has been called the Refugee Magna Carta. Extending its authority will take time. But the strategy of the effort, considering all factors, has to be long range. The goal, stated in simplest terms, is to work toward entrenchment of civil liberties in international law as deeply as they are entrenched in the laws of our countries, yours and mine. It is to gain such wide adherence and enforcement of the treaty that the hard-core nations which do not accept concepts of freedom and dignity, or pay them only lip service, will be isolated and thus exposed to the pressures of world public opinion until they, too, begin to mend their ways, to the advancement of the rights of man and the cause of peace.

Thank you.

GUN CONTROL

Mr. FANNIN. Mr. President, some people would have us believe that there would be a sharp drop in violent crime if gun ownership were banned or greatly restricted. My belief is that indiscriminate gun laws simply disarm responsible and law abiding citizens. Criminals would still be able to obtain or make guns.

Recently the Phoenix Gazette ran an editorial pointing to the inconsistency of those who propose antigun legislation and in the same breath worry about excessive Government police powers.

Mr. President, I ask unanimous consent that the editorial from the March 8, 1975, Phoenix Gazette, be printed in the RECORD.

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

INCONSISTENCY ON GUNS

Liberals are a curiously inconsistent lot. At the same time they are fretting so much about abuse of police powers and an imagined threat of a military takeover, they also insist that only policemen and soldiers should be allowed to have guns.

Ironically enough, the liberals who want to ban guns are getting more support today from the police authorities they are so busy attacking. Even FBI Director Clarence Kelley is backing gun controls, although some of the liberals he is helping doubtless would dismantle the FBI if they had the chance.

Police support of gun controls, apparently prompted by frustrations in dealing with crime, is likely to cost law enforcement agencies a signficant measure of the backing they now enjoy from law-abiding citizens who keep firearms for sports or self-protection. To their credit, police officials in Arizona aren't involved in the controversy.

According to the liberal advocates of gun control, restrictions on firearms ownership would reduce accidents, murders and other crimes. Yet there is no statistical evidence to support those claims. Firearms accidents actually are decreasing in relation to the population in the United States, despite an increase in gun ownership. As for relationship between firearms ownership and crime, Swiss citizens are practically required to own firearms and that nation has a low crime rate. Other nations where firearms are restricted have high crime rates.

As Gazette editorial writer Larry Ferguson observed in his column Friday, not only firearms are lethal. He mused that inasmuch as Samson killed 1,000 Philistines with the jawbone of an ass, it would make as much sense to control jawbones as guns.

Liberals also are concerned, and properly so, about the dangers of nuclear war. If atomic warheads ever drop on the United States, however, the situation will be a lot more like it was when the founding fathers granted Americans the right to bear arms than it is now. Then, as before, it would be up to armed, law-abiding Americans to restore order out of chaos, as members of a militia constituted under the law.

IMPROVING THE FOOD STAMP PROGRAM

Mr. HUMPHREY. Mr. President, the Washington Star on March 10 included a perceptive editorial entitled, "Food Stamp Failures," on the realities of the food stamp program.

The basic premise of this editorial is that the prevention of hunger must be maintained as a major governmental priority in these times of economic deprivation. It points out that Congress and the Agriculture Department should take the initiative to improve the food stamp program rather than engage in polemics over its deficiencies.

It is clear that there are significant problems which plague the food stamp program. The certification and administrative practices of many centers deter a substantial number of individuals who are in desperate need of food assistance.

With today's rising rate of unemployment, it is urgent that these problems be addressed.

The crisis in our food stamp program has been effectively documented by the GAO and the Senate Select Committee on Nutrition and Human Needs. There are many millions of Americans who are trying to live on inadequate diets and insufficient food supplies. The food stamp program must reach out to these people and provide them with the necessary assistance.

The administration has demonstrated its insensitivity to this pressing human need and has no policy to deal with the situation. Therefore, it is imperative that the Congress must move forward and provide the necessary leadership.

We need to take steps to simplify the certification process, increase the number of available stamp outlets, and most importantly, insure that a major attempt is made to assist the millions of eligible Americans who currently are not receiving food stamps.

It is true that there are some recipients who take advantage of the program. However, critical evaluations which center on these abuses obscure the more crucial issue of hunger. The basic responsibility to feed our fellow citizens cannot be ignored.

We need a food stamp program which both meets the human needs of our people and corrects the deficiencies which hamper this noble endeavor.

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

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

FOOD STAMP FAILURES

Surely there should be agreement on one point as the hardship of unemployment spreads across America: Food is fundamental. It is the one basic requirement which should generate no quibbling as to the government's responsibility to assure an adequate amount for every family that lacks the capacity to buy it. But the food stamp program, despite a sharp increase of outlay in the past year, is shot through with deficiencies and laden

with complexities which no doubt are causing many people to go hungry.

These are outlined shockingly in last week's report by the Senate Committee on Nutrition and Human Needs, but many people in the area around Washington have learned about them first-hand in recent months. When a jobless family has to wait several weeks to get food stamps, that's a crisis no one should have to endure. The certification system has been unduly complicated by tortuous forms to be filled out, and manifold documentations to be gathered and presented. And this works hardest against the poorest and least educated members of society, who sometimes simply give up in the maze-like process and go without stamps. Better-educated applicants—especially those with some experience in bureaucratic paperwork—may get more stamps than they need in some cases, we suspect, while less adroit folk remain baffled and undernourished.

Some also give up because of unbearably long waits at state social services centers, and the need for return visits to provide more and more personal information in order to qualify. With unemployment swelling, the lines grow ever longer. One sometimes must wait many hours. But this is largely because the certification procedure is terribly overcomplicated—so time-consuming for each case. State welfare agencies can't afford enough manpower expansion to properly handle the growing crowds of stamp applicants. If the certifying process were greatly simplified, present administrative forces could cope with the load much faster. And fewer deserving people would be excluded because of inability to fill out forms very well or to find transportation—repeatedly—to welfare offices.

Congress, one way or another, should force this simplification upon the Agriculture Department, whose secretary, Earl Butz, never has been hospitable to this program as a part of his domain. In fact, the administration's intent to cut participation in the program has been glaringly obvious, most recently in its attempt to make recipients pay more for stamps. Congress, to its great credit, rebuffed this misdirected money-saving scheme in a hurry. Along with simplifying the whole business, several steps by Congress are needed. It ought to increase federal aid to the states for employment of more food certifiers at local levels, and provide for more stamp outlets and a much stronger effort to reach eligible citizens who still haven't qualified for food assistance.

These run into many millions; by the Senate panel's account, only 38 percent of those eligible are receiving stamps. By an Agriculture Department estimate, many others have received overpayment in stamps. Both of these situations need to be corrected with forceful action, but most importantly, the shameful negligence of real need must be stopped. This country may not be able to afford everything it needs these days, but it certainly can finance—as a matter of highest priority—the prevention of hunger among its unemployed and indigent citizens. The public should demand that Congress and the administration see to this, promptly.

CHICAGO COUNCIL ON FOREIGN RELATIONS SURVEY ON ATTITUDES TOWARD U.S. FOREIGN POLICY

Mr. PERCY. Mr. President, the Chicago Council on Foreign Relations is a nonprofit, nonpartisan organization which seeks to promote more thorough public understanding of the foreign policy of the United States.

The council recently published a report on American Public Opinion and U.S. Foreign Policy 1975, based on a survey conducted by Louis Harris and Associates, and edited by John E. Reilly, president of the council. The report encompasses a broad spectrum of foreign policy questions and responses.

The public survey involved a stratified, systematic national sample of 1,513 respondents, representing Americans aged 18 years and older. Field work was conducted between December 6 and December 14, 1974.

Mr. President, I ask unanimous consent that the summary findings of this timely and useful public opinion report be printed in the RECORD at this point. It should be noted that the views expressed in this report are those of the editor.

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

SUMMARY FINDINGS

A number of important conclusions emerged from the study—some of which were expected, and some of which were not.

DOMESTIC VERSUS FOREIGN POLICY

Not surprisingly, domestic economic difficulties attract far more interest and attention than almost any foreign policy problem. Even so, there is little sentiment among the American public for a retreat from the world—and virtually none among leaders sampled. But there are some inconsistencies in public views.

In general, both samples believe that federal spending on domestic programs should be expanded, and spending on foreign programs reduced. Even where opinion on this matter varies, the highest priorities tend to be assigned to expanding domestic programs first and cutting foreign and defense programs first.

At this same time, there is a high degree of public understanding about the growing economic interdependence of the United States with the rest of the world: oil and gasoline imports head the list of concrete examples. Still, the belief is more prevalent that the world is dependent on us (particularly for food) than the other way around.

In this era of interdependence, the American public is prepared to make some sacrifices for U.S. cooperation with other countries. This includes high majority support for cutting U.S. gasoline consumption (though not for higher taxes), if this would help developing countries, or if it were needed to aid us or our Allies against an oil embargo. The public is also willing to cut U.S. food consumption (but not accept higher prices) to help poor countries. American leaders are even more willing to see these sacrifices made.

THE UNITED STATES ROLE IN THE WORLD

Two-thirds of the American public shares a great belief that "the United States should play an active role in the world"; 99% of the leaders agree. However, there is widespread disagreement over the specific forms this role should take.

A large majority of the public also believes that real American concerns should be at home, and 52% that we should build up our own defenses and let the rest of the world take care of itself. Leaders are most consistent, with only 26% saying they believe that real concerns should be at home, and only 10% favoring letting the world take care of itself.

The public is fairly evenly divided on whether the United States is as important in the world as it was ten years ago. Leaders strongly believe our importance has slipped. Both groups, meanwhile, support a somewhat more important role for the United States in the future—for reasons of past leadership, economic strength, democratic ideals, and the need for leadership to solve world problems. U.S. leaders are more concerned about each of these factors than is the general public.

Leaders who want the U.S. to play a less important role abroad most often cite the relative shift of power to other countries; the public cites domestic political and economic problems.

American public and leadership opinion rates economic strength as the most important aspect of U.S. leadership in the world; leaders place moral values second; skill in negotiating settlements that avoid war third; and scientific progress fourth. The public, by contrast, rank skill at negotiations second, military strength third; moral values fourth; and science and technology fifth.

For both groups, willingness to make military commitments to other countries and to keep them, ranks below other aspects of U.S. leadership as very important.

At the same time, keeping the peace in the world was the leading U.S. foreign policy goal for both leaders and public, international cooperation was second, promoting U.S. security was third, and worldwide arms control was fourth.

On the preceding list, both groups agree that we are doing best in promoting our own security and keeping the peace in the world second. However, less than a third of public or leadership opinion (28% and 27%, respectively) thinks that agreements with Russia and China mean there is little chance of a world war.

UNITED STATES DEFENSE AND MILITARY INVOLVEMENT

About half of the American public (46%) wants to keep the defense budget where it is; 13% believe that it should be expanded; and 32% believe that it should be reduced. A majority of American leaders (56%), however, wants to cut defense, with only 8% opting for expansion, and 36% for keeping it the same.

However, public opinion is more willing (42%) to cut the defense budget when a choice is suggested between defense and domestic priorities, than when defense is considered on its own (only 32% for cuts). Leaders appear to see defense cuts as a matter of making choices in any event.

More than a third of leaders (34%) cite defense cuts as one of their first or second top priorities for budget reductions while 17% of the public agrees. The public puts greater emphasis on first cutting foreign military aid (35%) and foreign economic aid (24%). Leaders cite military aid 30% of the time as their choice of one or two areas in which to begin cutting, while only 5% of leaders cite economic aid.

U.S. military strength relative to that of the Soviet Union is the most important factor in determining whether public and leadership opinion will favor or oppose defense budget cuts; the effect of defense cuts on unemployment is the next most important factor. When asked, the public is more concerned about the effects of defense cuts on unemployment; leaders are more willing than the public at large to cut spending if it wouldn't mean our falling behind the Soviet Union. It would appear that an adequate economic conversion program would influence public attitudes toward defense cuts.

Both groups think that being strong militarily is very important; but only 36% of each group thinks that making and keeping military commitments to other countries is very important. Two-thirds of the public agrees (33% strongly) that power is what counts in the world, today; but only a bare majority of leaders agree (19% strongly).

This contrast between levels of support for military strength and commitments was also reported in responses to questions about desired U.S. behavior in crisis situations. If

friendly countries are attacked, only a quarter of the public (23%) would send aid plus U.S. troops, while a third (34%) of leaders would do so. Only 9% of the public and 1% of leaders would refuse even to send any military or economic aid. These public attitudes vary considerably on the basis of beliefs that Vietnam was either a proud or dark moment in U.S. foreign policy history—45% of the former group favors sending U.S. troops to defend "friendly countries," while only 18% of the latter group would do so.

If specific countries were attacked, a majority of the public (77%) would respond with U.S. troops only in the case of Canada (leaders 90%), while a majority of leaders would also respond with troops to an attack on Western Europe (77% to 39% of the public), or a Soviet takeover of West Berlin (55% to 34% of the public).

If Israel were being defeated by the Arabs, only 27% of the American people would favor sending U.S. troops (50% would oppose it, and 23% are "not sure"). Forty-one percent of leaders would send troops, 44% would oppose it, and 15% are not sure.

If the Arabs cut off the oil supply to Western Europe, only 21% of the American public would favor sending U.S. troops (22% of leaders would do so), and only 14% would respond with troops if Japan's oil were cut off (15% of leaders would do so).

Only 25% of the public would support military action against the Arab oil producers today (although the question was posed in the absence of an embargo or other threat). If the President and Secretary of State asked for public support for such action, only 32% of the public would respond favorably. Similar small increases in support in response to Administration leadership were registered for non-military areas.

Moreover, in the event of a further oil embargo, only 6% of the U.S. public would favor invasion as their first choice of responses (4% among leaders). The public would prefer sharing oil with others (40% to leadership's 83%), or going it alone (38% to leadership's 10%). In general, there is low public support for getting involved in places where war might actually occur, or where U.S. commitments and interests might actually be tested.

In addition to the high order of priority given to cutting foreign military aid by both leaders and public opinion, the survey revealed that only 22% of the public favor any such aid at all. Forty percent of leaders back it, however, and tend to see more value in this aid for our domestic economy, and less damage, than did the general public. Public attitudes for or against military aid largely reflect beliefs about whether or not it promotes U.S. national security.

Foreign military sales are less unpopular than military aid, with 58% of leaders favoring such sales, but only 35% of the public.

In general, more recent American wars are less popular than earlier wars, varying from a high of 68% of the public seeing World War II as a proud moment for America (13%, a dark moment), to a low of only 8% seeing Vietnam in this way (72% a dark moment). Yet less than half the public sampled (42% to 44% against) thought the Vietnam War taught us we shouldn't enter wars we couldn't win (leaders even more firmly rejected this idea as a lesson of Vietnam, by 28% to 55%). About two-thirds of the public learned from Vietnam that we shouldn't support corrupt regimes or get involved in civil wars—while a majority learned that sometimes we have to support regimes we don't like, because a communist takeover would be worse.

Seventy-six percent of the American public see the military as having an important role in making foreign policy (36% see it as very important), compared with 93% who see the Secretary of State as important. Meanwhile, 83% of U.S. leaders see the military's role as being important. A net balance of 8% of the public want that role reduced; while a net balance of 51% of leaders argue for a reduction.

U.S. POLITICAL INVOLVEMENT IN THE WORLD

The great majority of the American people and their leaders (66% and 99%, respectively) accept a positive role for the United States in the rest of the world. Also, fully 82% of the public and 95% of the leaders believe that some problems (like food, energy, and inflation) are so big that no country can solve them alone, and that they can be solved only through international cooperation. Half of the public and more than 80% of leaders think we should consult with allies before making major foreign policy decisions.

The American people are ambivalent about international organizations, however. An overwhelming majority (82%) saw the U.S. role in founding the United Nations as a proud moment in our history, but only a bare majority (53%) think it very important for the U.S. to be a world leader in international organizations such as the U.N. Three fifths of the public think that the superpowers are more important than the U.N. in keeping other countries from going to war; however, a similar number think we should conduct more of our foreign policy through international institutions.

Nearly three-quarters of the public thinks that having good relations with Western Europe, Japan, and the Soviet Union is very important; 68% with the Arab countries; 63% with Asia; 62% with Latin America; and 56% with Africa. Leadership opinion places greater weight on good relations with each area or country, except for Asia and Africa.

Hostility towards some of the communist countries, where stable relationships have been created, has gone down. For example, 58% on the public believes that the U.S. and U.S.S.R. can reach agreements to keep peace, and there is favorable support—between 60% and 84%—for nine specific areas of possible superpower agreement (leadership support was much higher). Fifty-three percent of Americans favor full diplomatic relations with Cuba (84% of leaders favor it). Fifty-five percent of Americans believe we can reach long-term agreements with China to keep the peace (76% of leaders believe this).

However, about half (46%) of both samples) believe that more countries are likely to become communist in the next decade, and there is widespread belief that in certain cases this would pose a threat to the United States, ranging downward from Western European countries (public opinion: 71%); Latin American countries (69%), Japan (67%), and African countries (51%). Leaders see lower threats in each case, with only 54% worrying about Latin American countries, and 30% in the case of African countries. About half the public believes that communist governments in Italy and Portugal would be a threat to the U.S. (50% Italy, 47% Portugal)—though fewer leaders believe so.

Two-thirds of the American public (and seven-eighths of leaders) believe that the U.S. should put pressure on countries which systematically violate basic human rights. Three quarters of both samples believe it is morally wrong to back military dictatorships that deny basic rights, even if we can have military bases in those countries. A majority (57%) of leaders think we should do more to oppose apartheid in South Africa; but only a third of the public thinks this way.

Nearly two-thirds of leaders disagree that "how the Soviet Union handles the treatment of the Jews or other minority groups is a matter of internal Soviet politics, and none of our business," nearly half the public (48%) share this view. Yet almost all leaders (97%) want to expand trade with the Soviet Union; and two-thirds of the public want to do so as well.

U.S. ECONOMIC INVOLVEMENT IN THE WORLD

Almost every major economic problem—inflation, recession, and resources—ranks ahead of traditional foreign policy concerns in public and leadership attitudes. There is a preference to use U.S. economic resources at home; but a compensating desire exists to use foreign policy to benefit U.S. and foreign economies.

There is also high awareness of the impact of foreign affairs on the U.S. economy. Eighty-seven percent of the public believes foreign policy has a major impact on the price of gasoline at home; 78% on the value of the dollar abroad; 77% on the overall U.S. economy; and majorities on the sale of U.S. goods abroad (69%), supplies of raw materials for manufacturing (64%), the price of manufactured products (63%), and unemployment rates (59%). U.S. leaders are largely in agreement. Thus the traditional dividing line between foreign and domestic issues has become blurred.

Public attitudes toward involvement in the international economy significantly reflect concern with domestic economic difficulties. Most important, a large majority of the American public (80%) favors cooperation with other consumer states to reduce dependence on outside supplies of energy. This was so even if gasoline consumption had to be reduced and tax dollars spent. Leaders (97%) overwhelmingly support such cooperation.

A large majority (83%) of the American public favors joint cooperation with the Soviet Union to help solve the world energy shortage. But a plurality of the public (39%) opposes easy-term loans to developing countries to meet balance of payments deficits caused by rising oil costs (72%) of leaders favor such loans) .

The American public also favors unilateral action on resources. Eighty-seven percent favor spending tax money to develop new energy sources; 78% are willing to cut gasoline consumption by 10%; 75% to go without meat one day a week, in order to export food abroad to combat shortages; 68% to cut out nonessential uses of fertilizer; 59% to accept gasoline rationing; but only 30% to accept a gasoline tax of 25c a gallon.

The American public does not see itself highly responsive to Presidential leadership on these issues. If the President and Secretary of State asked, public support would rise by only 8% or less for going without meat one day a week, spending tax dollars on energy resources, cutting back gasoline consumption, accepting a gasoline tax rise, and accepting a 10% rise in the price of food.

About half the American public (52%) support the principle of foreign economic aid, but 56% also wants the level cut back; only 10% wants it increased. Earlier aid efforts are widely regarded as proud moments in U.S. history. Cuts are particularly favored when seen in the context of competing domestic priorities. Humanitarian and emergency aid, however, are strongly supported.

College graduates and U.S. leaders favor economic aid more than the general public, although there is strong popular support for raising the standard of living in other countries. There is more public support for economic aid when it is clear that it actually helps people in poor countries.

Attitudes towards foreign economic aid are highly related to its impact on the U.S. economy, with 25% of the public thinking it helps our economy, and 63% that it hurts. Foreign economic aid is seen to help other economies (77% of public opinion agrees), it is seen to help others live better (70%),

and it is seen to help the national security of other countries (65%); but these aims do not have high public priority. The principal opposition to foreign economic aid is based on doubts that it helps our national security or our domestic economy.

WHO MAKES U.S. FOREIGN POLICY?

Public opinion judges Secretary of State Kissinger and television news highest as very reliable sources of information on U.S. foreign policy. Leadership opinion agrees on the Secretary of State, rates newspapers and private foreign policy organizations next, and gives a low rating to television news.

No more than 31% of the public sampled follow any foreign news event very closely, and the highest rating in the December 1974 sample tended to go to events then in prominence. On average, only about 20% of the public follows foreign policy issues very closely.

The American public overwhelmingly believes that the Secretary of State plays the dominant role in U.S. foreign policy. Seventy-three percent (97% of leaders) see his role as very important, compared to only 49% of the public (51% of leaders) who judge the President's role in that way.

In contrast, 39% of public opinion sees the role of Congress as being very important (18% of leadership opinion agrees); while the role of public opinion is itself rated at a mere 19% (15% rating by leaders). The discrepancy in popular and leadership opinion about the role of Congress was also reflected in estimates of the role of business: 42% of the public sees the role of business as very important, but only 25% of leaders do. The CIA (in a sample taken after the disclosures about Chile but before those on domestic activities) was rated as very important in U.S. foreign policy by only 18% of leaders, and 28% of the general public.

In terms of working for peace in the world, President Ford receives a 50% popular rating of excellent or pretty good and 52% from leaders; while Congress' rating is 42% from the public and 32% from leaders. Comparing the two, only 10% of leaders and public opinion think that Congress is playing too strong a role, while 38% of the public and 51% of leaders think that its role is too weak.

On doing his job, the Secretary of State receives a positive rating from 85% of leaders, and 75% of the general public. A majority of both samples are also inclined to give him latitude in personal diplomacy, although there is strong sentiment for greater public and Congressional influence on the shape and conduct of foreign affairs.

URBAN PARKS

Mr. TUNNEY. Mr. President, the experience of Californians with the Golden Gate National Recreation Area, one of the first urban parks established by the Federal Government, has convinced me that more such areas are needed to serve urban residents in many regions of the country. Especially in an era of rising gasoline prices, it is vital to have adequate recreation opportunities close to home.

President Ford wisely signed the law creating the new Cuyahoga National Recreation Area in Ohio last December, against the advice of the Office of Management and Budget and the Department of the Interior.

In this Congress proposals will be considered for the Santa Monica Mountains urban park in California, as well as other urban parks in other States. These will undoubtedly encounter opposition by certain factions in the administration.

It is well to bear in mind that the administration has reversed itself just in the last 5 years on this subject. The move to establish urban recreation areas was initiated by former Interior Secretary Hickel and continued by Secretary Morton. Evidently the Office of Management and Budget has managed to turn the Department around.

For the information of my colleagues, I ask unanimous consent to have printed in the RECORD a commentary on urban parks from the latest issue of the Living Wilderness, published by the Wilderness Society, which correctly identifies the crying need for urban recreation areas.

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

[From The Living Wilderness, Winter, 1974–75]

URBAN PARKS

"The establishment of this area paves the way," President Ford said, using an unfortunate metaphor, "for the preservation of thousands of acres of unspoiled land for the enjoyment of present and future generations." So saying, he signed a law creating the Cuyahoga Valley National Recreation Area taking in 26,000 acres along the Cuyahoga River between Cleveland and Akron, Ohio.

What he didn't say was that this could be the last urban recreation area ever to get his blessing. In fact, the Department of the Interior had urged him to veto the Cuyahoga bill.

Seldom has any government department or agency reversed itself so completely so fast. Only five years ago Walter Hickel, then the Secretary of the Interior, was saying, "We are moving with a coordinated program to establish large park and recreation areas where most of our people live—in the metropolitan areas of our country." Fourteen areas, from New England's Connecticut River Valley to California's Santa Monica Mountains, were selected for study by the department. When Rogers Morton took over in 1971, he picked up the same refrain in his instructions to the National Park Service: "Government must identify and create more parks where people need them—in and near large urban complexes."

Through this initiative two urban national recreation areas were established in 1972. One was the Gateway National Recreation Area in New York and New Jersey. The other was the Golden Gate National Recreation Area in California. Both have been highly successful. Inspector Hugh A. Groves, who heads the Park Police unit at Gateway, told a Washington Post reporter: "Everything we open, the people come pouring in . . . We'd take down a fence around a swamp, put up signs that the water was not fit for human contact, and yet mothers with babies in their arms would come in there and stand in mud up to their ankles to get into the open. New Yorkers are starving for recreational outlet."

The new park is also the site of environmental education classes for visiting school children from the New York megalopolis. Gateway had 4½ million visitors last summer.

Although the urban parks are vastly different from a Yosemite or a Yellowstone, some of the basic values are the same—preservation of nature and open space, public enjoyment, inspiration, interpretation and education. The most notable differences are in the emphasis on heavy public use and intensive management of the urban recreation areas, and in the less stringent standards for eligibility. The urban parks need not contain nationally significant features, as national parks do; in this respect they are like the nonurban national recreation areas, of which nearly a dozen have already been established around the country, in places such as Lake Mead, Flaming Gorge and Bighorn Canyon. The urban recreation areas bring the same opportunities home to city folks, without the need of long-distance travel.

Recognizing the popular appeal of the concept, President Nixon during the 1972 election year associated himself conspicuously with the proposed urban recreation areas, making well-publicized trips to the Gateway and Golden Gate areas. But ever since the election, the message from the White House has been: no more of this nonsense.

Following the 1972 election the Office of Management and Budget, which initiated the policy reversal as part of its program to shift federal responsibilities to the states, began to put the clamps on budget and personnel levels, forcing the Park Service to rob money and staff from other parks to run the new ones. The result has been a heavy drain on other park budgets, since the urban ones require far more intensive development and staffing than do many of the system's traditional units.

It seems ironic to us, looking back on this shift, that the reason for OMB's opposition to urban parks is the very reason that urban recreation areas have achieved such strong support across the country. Lack of funds is the crucial obstacle that has prevented states and cities from setting up such recreation areas on their own. They simply don't have the money to pay for large-scale acquisition and staffing. Only the federal government has the resources to make rapid acquisition and development possible.

Support for urban recreation areas is strong. Local and national citizen organizations, including this one, have endorsed them. Governors, mayors and local governments have given them their backing. Congressional delegations are behind them. But the Ford Administration opposes them.

An interesting point concerning urban parks and conservation has been made by Congressman John Seiberling, Democrat of Ohio and a member of the House Interior and Insular Affairs Committee. "With urban parks on the agenda," he said recently, "I'm confident that more conservation advocates will join the Interior Committee. This committee has long been considered rural-oriented, both in its focus and its composition. Urban representatives have preferred to join committees where they can more directly serve their constituents. Without urban parks as an issue, I'm afraid many conservation issues before the Interior Committee—from strip mining to wilderness—could suffer."

Proponents see urban parks as the city dweller's link to the more distant world of the wilderness. There he can introduced his children to living things—to plants and animals—and awaken them to what lies beyond. Understanding and appreciation of nature, they believe, are dimensions of life lost to all but a few of the people living in our great cities today. They see urban recreation areas as filling this need.

Let's hope Mr. Ford changes his mind. We think Secretary Morton was right the first time.

IRRIGATION SUPPORT SYSTEMS

Mr. GARN. Mr. President, on Friday, March 14, 1975, my colleagues and I joined in voicing support for the irrigation support system of the Agriculture Stabilization and Conservation Service. The Secretary of Agriculture's announcement today, March 17, 1975, that this program will be continued is gratifying. I appreciate the cooperation of those

Senators who cosigned the following letter in protest of the proposed termination of this program, which has been an important stimulus in the development of irrigation systems.

I ask unanimous consent that the letter be printed in the RECORD.

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

WASHINGTON, D.C.,
March 14, 1975.

Hon. EARL L. BUTZ,
Secretary, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: It is our information that the Department of Agriculture will soon announce the termination of the Irrigation Support System of the Agricultural Stabilization and Conservation Service.

Since its inception, this program has provided necessary assistance to farmers, particularly to those living in arid regions, and at the same time has contributed to the conservation needs of our country. The benefits of this program accrue not only to the individual farmer but also to the entire community, given the fact that efficient irrigation systems not only increase crop production but reduce waste of water.

Shortages persist and the prices of food and feed grains maintain record high levels; the world needs everything the American farmer can produce. We strongly protest the discontinuance of this program which appears to be counterproductive to the total concept of conservation and a viable agriculture industry.

Sincerely,

Frank E. Moss, Paul J. Fannin, Joseph M. Montoya, Gary Hart, Jake Garn, Barry Goldwater, Pete V. Domenici, Floyd K. Haskell, Howard W. Cannon, Lee Metcalf, Mark O. Hatfield, Frank Church, James A. McClure, Quentin N. Burdick, Paul Laxalt, Henry M. Jackson, Gale W. McGee, Milton R. Young and Carl T. Curtis.

MIA'S IN INDOCHINA

Mr. KENNEDY. Mr. President, one of the tragic legacies of the continuing Indochina war is the absence of definitive information on the fate of hundreds of American military and civilian personnel still missing in action in Indochina.

In an effort to obtain information about American military and foreign civilian personnel still considered missing in Vietnam and Indochina, I wrote a personal letter on December 18, 1974, to the North Vietnamese Vice Premier and Minister for Foreign Affairs, Mr. Nguyen Duy Trinh. I expressed my concern over the continuing problems in implementing the Paris Agreement on ending the war and restoring peace in Vietnam, and I made a special humanitarian appeal to the North Vietnamese for information on MIA's.

Mr. President, this past month Foreign Minister Trinh responded to my letter. He stated Hanoi's current view toward American policy in Indochina and developments in Vietnam, but regretably his letter contained no specific information on MIA's.

However, the Minister's letter seems to confirm that information is available on MIA's, and that, to quote from the letter:

The DRVN services responsible for getting information . . . continue their efforts in the hope that their work will help ease the anguish of the families of those still considered missing.

Mr. President, I welcome, as I am sure all my colleagues in the Senate do, the good news that the North Vietnamese are continuing their efforts to compile information on American men still missing, and hopefully on the international group of journalists still unaccounted for in Cambodia.

But I deeply regret that no progress is being made on the simple humanitarian issue of making this information available to the families of those still considered missing in Indochina. Hopefully, the North Vietnamese Government will reconsider the points raised in my letter to Foreign Minister Trinh, and, in a gesture of good will and human concern, will make this information available in the days ahead.

I pledge my best efforts to accomplish this humanitarian end, as well as the related political goals of the Paris Agreement on Vietnam.

Mr. President, I ask unanimous consent that the full text of my exchange of correspondence with Foreign Minister Trinh be printed in the RECORD.

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

U.S. SENATE,
December 18, 1974.

Hon. NGUYEN DUY TRINH,
Deputy Prime Minister and Minister of Foreign Affairs, the Democratic Republic of Vietnam.

DEAR MR. MINISTER: I am writing to express the concern I share with many persons over the continuing problems in implementing the Paris Agreement on Ending the War and Restoring Peace in Viet-Nam. I am also writing to express my continuing interest and concern in further efforts to normalize relations between our two countries and to ameliorate the needs of civilian war victims throughout the war-affected areas of Indochina.

You may recall that last year my personal representatives visited your country, and had the honor of exchanging views with you and many of your fellow citizens in the Democratic Republic of Viet-Nam. I strongly feel their visit was an important contribution toward a better understanding between our two countries, and, as you probably know, a report of their findings and recommendations was issued by the United States Senate early this year.

Since the visit of my representatives, I am pleased to learn that a number of non-governmental voluntary agencies, and international humanitarian organizations, have, in cooperation with your government, initiated useful efforts to provide post-war humanitarian and reconstruction assistance to the Vietnamese people. Hopefully, the United States will more actively facilitate and support these important efforts, which reflect, I believe, the true feelings of many Americans over humanitarian needs among the Vietnamese people and the hope of better relations between our two countries.

Continuing efforts are needed, by all parties concerned, to assist in the building of peaceful relations in Indochina and between the American and Vietnamese people. In this connection, I would like to raise again an issue that remains an irritant in relations between our two peoples. I refer to additional measures to get information about American military and foreign civilian personnel still considered missing in action in Viet-Nam and Indochina.

As you know, your Government's earlier measures in releasing to me information relating to captured and missing American personnel, were recognized by many people as important humanitarian acts. And your Government's subsequent and orderly return of captured personnel, under the terms of the Paris Agreement, was deeply appreciated by all Americans. I am sure you understand, however, the deep personal anguish felt in the hearts of families and friends of those military and civilian personnel still considered missing in action. I am sure you also understand that any information about these personnel would ease this anguish, and, hopefully, contribute toward reducing the barriers and misunderstandings that continue to divide our two peoples.

I would earnestly hope that the competent services of your Government would be able to facilitate the compilation of any available information on the fate or remains of personnel still considered missing in action in your country and, perhaps, other areas of Indochina. My personal hope and concern in this matter includes an international group of journalists still missing in Cambodia.

In light of our previous correspondence and exchange of views, and in the name of our common humanity, I appeal for you and your Government's sympathetic understanding and early consideration of my letter. I can assure you, Mr. Minister, and your colleagues, that favorable consideration of my personal appeal would be gratefully welcomed as another important step in building better relations between the American and Vietnamese people.

Many thanks for your consideration.

Sincerely,

EDWARD M. KENNEDY.

HA NOI, *January 21, 1975.*

Hon. EDWARD M. KENNEDY,
Senator, U.S. Senate, Washington, D.C.

DEAR MR. SENATOR: I have received your letter dated December 18, 1974. I have carefully considered it. I understand your concern over the implementation of the Paris Agreement on Viet Nam and your good-will in wishing to see a normalization of relations between our two countries. I am sensitive to the anxiety of the families of those military and civilian personnel still regarded as missing in action in Viet Nam. I also share your interest and concern in efforts to ameliorate the needs of civilian victims of the war started by U.S. administrations in our country.

I think that to find a good solution to the above-mentioned problems, it is first of all necessary to determine the deep root and immediate cause of the present situation in South Viet Nam. That is the policy of continued military involvement and interference in the internal affairs of South Viet Nam, which the U.S. administration embarked upon even before the ink had dried on its signature in the Paris Agreement on Viet Nam. The U.S. authorities have deceived the American people and acted at variance with their commitment in Articles 1 and 4 of the Paris Agreement to respect the independence, sovereignty, unity and territorial integrity of Viet Nam, and the South Vietnamese people's right to self-determination, and to end their military involvement and interference in the internal affairs of South Viet Nam.

Directed and aided by the U.S. administration, Nguyen Van Thieu and his group have pursued and stepped up the war, perpetrating innumerable crimes against our countrymen in South Viet Nam. They have trampled underfoot all democratic liberties, arrested and maintained in detention hundreds of thousands of political prisoners. Obviously they constitute at present the main obstacle to the implementation of the Paris Agreement and the achievement of real peace and national concord in South Viet Nam.

Of late, the Nguyen Van Thieu group have

been dealt heavy punishing blows by the South Vietnamese people and liberation armed forces in many places of South Viet Nam. In face of this situation, the U.S. administration has launched a clamorous campaign of slander against the Democratic Republic of Viet Nam and the Provisional Revolutionary Government of the Republic of South Viet Nam which have allegedly turned from the path of negotiation to that of war. Its aim is to deceive public opinion and the U.S. Congress and to press for more military aid to the Nguyen Van Thieu group for the purpose of intensifying the war and sabotaging the Agreement.

Obviously the Ford-Kissinger administration is still pursuing the previous U.S. administrations' hostile policy towards Viet Nam, providing the puppet Nguyen Van Thieu group with weapons and ammunition to massacre our people in South Viet Nam, wasting the American people's money, keeping the United States militarily involved in South Viet Nam, thus creating extremely serious dangers. Recently, U.S. Secretary of Defence J. Schlesinger stated by way of threat that the Vietnamese people should not "discount American power" and should envisage the possibility of "a reintroduction of American power". Meanwhile, U.S. Secretary of State H. Kissinger openly reneged on the U.S. obligation with regard to the healing of the wounds of war and postwar reconstruction in the Democratic Republic of Viet Nam as provided for in Article 21 of the Paris Agreement.

As far as they are concerned, the Government of the Democratic Republic of Viet Nam as well as the Provisional Revolutionary Government of the Republic of South Viet Nam signed the Paris Agreement on Viet Nam with the earnest desire to see an end to the war, the actual restoration of peace on Vietnamese soil, and the materialization of the right to self-determination and national concord in South Viet Nam. That is the reason why the Vietnamese people, the Government of the Democratic Republic of Viet Nam as well as the Provisional Revolutionary Government of the Republic of South Viet Nam have always respected and scrupulously implemented the Paris Agreement on Viet Nam. As the Agreement is being seriously sabotaged by the U.S. administration and the Nguyen Van Thieu group, the struggle our people have to wage now in South Viet Nam is precisely aimed at defending the Agreement and preserving peace. This just struggle of the Vietnamese people, which is warmly approved and supported by the world's peoples including the progressive people of the United States, will surely be crowned with total victory.

We demand that the U.S. administration put a complete end to its military involvement and interference in the internal affairs of South Viet Nam, stop all military aid to the warlike Nguyen Van Thieu group. We fully support the demand of the Provisional Revolutionary Government of the Republic of South Viet Nam that Nguyen Van Thieu and his group be overthrown so that an administration favouring peace and national concord and correctly implementing the Paris Agreement on Viet Nam may be formed in Saigon. We demand that the U.S. administration put an end to all its encroachments on the air space and territorial waters of the Democratic Republic of Viet Nam and fulfill its obligation to contribute to the healing of the wounds of war in North Viet Nam. The Vietnamese people wish to entertain normal relations with the American people, but this is possible only on the basis of a correct implementation of the Paris Agreement on Viet Nam.

The Vietnamese people are very grateful to the progressive people of the United States for the support they extended to their fight against the cruel war raged by the U.S. administrations. Since the signing of the Paris Agreement on Viet Nam, many humanitarian American organizations, many American personalities have taken positive actions to provide "postwar humanitarian and reconstruction assistance to the Vietnamese people". As you put it, these actions "reflect the true feelings of many Americans" towards the Vietnamese people.

The Vietnamese people appreciate the growing trend in the press, political circles and even in the U.S. Congress to urge the U.S. administration to end its military involvement in South Viet Nam and cease its military aid to the Nguyen Van Thieu group. This trend is an expression of the American people's traditional attachment to peace and justice, contributes to bring pressure to bear on the U.S. administration for a correct implementation of the Paris Agreement on Viet Nam, and creates favourable conditions for the normalization of relations between our two countries and for a good solution to the question of those still considered missing.

Proceeding from our correct stand, good will and humane policy, we have returned to the United States all its captured military and civilian personnel, and unilaterally allowed the U.S. side to repatriate the remains of those U.S. pilots who died while in detention in North Viet Nam. In this humane spirit, the DRVN services responsible for getting information about those considered missing in action continue their efforts in the hope that their work will help easing the anguish of the families of those still considered missing.

In the present juncture, everyone realizes still more clearly that what is most imperative, just and humane is to check the pouring of U.S. military aid to South Viet Nam for the Nguyen Van Thieu group to massacre the South Vietnamese people. This will have a positive effect to ensure a strict implementation of all the provisions of the Paris Agreement on Viet Nam, including Article 8(b) regarding those still considered missing.

Like you, I believe that a serious exchange of correspondence and views made in a spirit of good will is useful, and contributes to the building of good relations between the Vietnamese and American peoples.

Sincerely,

NGUYEN DUY TRINH,
Vice-Premier and Minister for Foreign Affairs of the Democratic Republic of Viet Nam.

TRIBUTE TO PERLE MESTA

Mr. JAVITS. Mr. President, a legion of friends both at home and abroad will mourn the loss of Perle Mesta. During her lifetime she exhibited a flair and a style which have been an inspiration to the social and diplomatic communities of the world. In so doing, I believe she contributed importantly to our relations with nearly every nation.

Since 1941, almost every administration in Washington profited from the gracious life of Perle Mesta. She possessed remarkable gifts as a hostess and an uncommon ability to make life more interesting by bringing diverse people together. As ambassador to Luxembourg, she brought to that country real American enthusiasm and optimism, coupled with a zest for life which no one will forget.

Mr. President, along with many of my colleagues in the Senate, I will miss the charm, the good nature, and the vitality of Perle Mesta. She was one of Washington's great ladies.

I ask unanimous consent that an article on the death of Perle Mesta published in today's Washington Post be printed in the RECORD.

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

HOSTESS PERLE MESTA, 83, DIES

OKLAHOMA CITY, March 17.—Perle Mesta, Washington hostess to presidents and top political figures, died Sunday night at Baptist Medical Center here, a hospital spokesman said. She was 83 years old.

Mrs. Mesta entertained along embassy row and posh Foxhall Village during the Truman and Eisenhower years.

President Harry S. Truman named her ambassador to Luxembourg, and she used the post to entertain as many as 25,000 American GIs.

A hospital spokesman said cause of death could not be immediately released, nor was it disclosed how long she had been hospitalized.

Funeral services were pending, with burial arrangements being made in Pittsburgh, Pa., where her husband is buried.

She was the queen bee of Washington society for 30 years and became famous worldwide as the prototype of "The Hostess With The Mostest" in the Irving Berlin musical, "Call Me Madam."

Mrs. Mesta was the daughter of Billy Skirvin, a one-time Michigan farm implement salesman who struck it rich in the oil fields of Texas and Oklahoma.

Brought up in Oklahoma City, the future hostess of presidents attended music school in Chicago, hoping to become an opera star. She gave up the ambition after one concert and married a wealthy Pittsburgh machinery manufacturer, George Mesta. She found Pittsburgh dull, however, and edged into society at Newport, R.I., in the 1920s.

Upon Mesta's death in 1925, she fell heir to his fortune and then to her father's after his death following an auto accident.

Mrs. Mesta appeared on the Washington scene in 1941, widowed and childless but with a down-to-earth Oklahoma liking for people and parties. One of those she struck up an early friendship with was a down-to-earth Missouri senator—Harry S. Truman.

She sponsored a coming out party for his daughter, Margaret, and was one of the few persons who could call Mrs. Truman "Bess" when Truman became president on Franklin D. Roosevelt's death.

But like any sensible Washington hostess, Mrs. Mesta had friends in both political parties for her entertaining at Uplands, her spacious Foxcroft Road Mansion. She enjoyed cordial relations with every president except John F. Kennedy and either compaigned or contributed money to the election efforts of Roosevelt, Truman, Eisenhower, Johnson, and Nixon.

Truman gave her the first paying job in her life—the $17,500-a-year ambassador to the Grand appointment and her tenure Duchy of Luxembourg. Her in the tiny country provided the background for the broadway musical starring Ethel Merman.

Despite the somewhat satirical treatment her diplomatic efforts received in the show, she was generally acknowledged to have done a good job in the Luxembourg post.

Wide prominence was given the press to such statements as that of a housewife in the European country who said: "Your President couldn't have sent us a nicer present. We love her."

In 1955 as a private citizen she made a 40,000-mile round the world tour, in which she visited 17 countries and talked to many foreign leaders.

At one point, she told newsmen, she had a brush with death during riots in Saigon.

Vietnamese student rioters broke into her hotel room, she recalled, and one approached her with drawn dagger.

"I thought he might as well know who he was going to kill so I told him 'I am Pearl Mesta.' His whole manner changed. He remembered me as the lady who had addressed homeless boys at a refugee camp earlier. He became our protector and kept the others from harming us."

Although she probably did not have such incidents in mind, Mrs. Mesta was a woman known for her zest who once said: "I always have a good time wherever I go."

Whether representing her country overseas or at home in Washington, she gave parties that were lavish, carefully planned and lots of fun.

"I like to mix people," she once explained. The uppers, the middles and the lowers, the sours and the sweets."

If there are too many dull ones, she added, "I put some aside for the next occasion."

Among reported highlights of her parties in the 1940s were a stint at the piano by Mr. Truman, and a baritone rendition of "Drink to Me Only With Thine Eyes" by Gen. Eisenhower.

In recent years Mrs. Mesta's activities had been restricted by the effects of a broken hip.

Early in 1974 she returned to Oklahoma where a brother lived and where she expected the climate would aid in her recovery from hip surgery.

Although she had entered the hospital March 4 suffering from lung congestion, the condition was said to have cleared before she was stricken last night.

"She was amazing," a close friend said. "You'd think she was doing pretty good but she had been ill for so long."

THE GIRL SCOUTS

Mr. HUMPHREY. Mr. President, on March 12, 1975, the Girl Scouts of the U.S.A. celebrated their 63d anniversary. I would like to bring to the attention of this body the fine record of this pioneering organization.

I have a high regard for the Girl Scouts and strongly support the scouting concept. My experience as a scoutmaster in South Dakota meant a great deal to me and fostered an interest in scouting which has persevered over the years.

The Girl Scouts are the world's largest voluntary organization for girls, with over 6½ million members in 90 countries. Since its inception in 1912, 27 million girls and 7 million adults have participated in the organization. Today, the Girl Scouts boast 3 million members in the 50 States.

We are all familiar with the famous boxes of cookies which the Girl Scouts sell throughout the Nation. These cookies provide the organization with badly needed funds which allow the Girl Scouts to sponsor a multitude of national and international events, purchase equipment and property, and provide camperships.

The Girl Scouts have played a major role in encouraging women to develop a positive self-image. They allow girls to acquire skills in the areas of their choice and provide opportunities for career exploration.

The ethical and spiritual code which unites the girls is a partnership which stands out as an exemplary model of national unity. The Girl Scouts organization enables girls from varied cultural, ethnic, and economic backgrounds to share their heritages and develop a strong sense of community responsibility.

I commend the Girl Scouts of America for the fine efforts which they have made in behalf of our great Nation. They have made outlets available for our young people which have withstood the test of time. Rooted in traditional American values, the ideals of the Girl Scouts have developed millions of girls into leaders and responsible citizens.

The Girl Scouts help girls become young women with good moral standards and the capacity to do something for themselves and their communities. Their work is truly outstanding and worthy of the commendation of this body. I, therefore, encourage my colleagues to join with me in saluting the Girl Scouts of America.

THE OSMONDS—A FAMILY MODEL

Mr. MOSS. Mr. President, music has long been considered to be a universal language. And I know of no other family which spreads love and affection through their music more than The Osmonds. This performing family consists of Alan, 25; Wayne, 23; Merrill, 21; Jay, 19; Donny, 17; Marie, 15; and Jimmy, 11.

Through the artistry of their music, The Osmonds have helped brighten the image of America, both at home and abroad. Presently, they are representing our country as good will ambassadors of song in Japan, Australia, and New Zealand.

The Osmonds are singing stars and producers of 22 gold—million-selling—records. But The Osmonds are also Mormons, and showbusiness or not, they adhere to strict principles which keep them at arm's length from the drug-drink-groopie image often associated with contemporary singers.

Sure, The Osmonds have their exhilaration. But like most of the citizens of Utah, it is not temporary. As Donn, a superstar in his own right, puts it:

> Instead of getting high on drugs, kids should get down on their knees. A lot of people are running into deadends with temporary highs. What makes me happy as a person is when I get down on my knees and pray.

The Osmonds have always been close to the earth. They grew up growing wheat and milking cows in Ogden, Utah. Their father built a long dormitory across the back of the house for his eight boys—furnished with cots for them to sleep upon. Sleeping accommodations have changed, but their closeness to the soil has not.

The Osmonds recording is called Kolob, which means from the Earth, and whenever they get home, much time is spent on their father's farm.

The Osmonds first left their acres of orchards and garden in Utah to venture to California in 1958. They visited Disneyland; auditioned to sing, and their career was launched.

Andy Williams' father discovered them at Disneyland, took them to his son, and they became instant television stars. The first record success for the older five singing Osmond Brothers "One Bad Apple," sold over 2 million copies. They have been hits around the world since.

However, The Osmonds have never forgotten the place where they first learned to sing—the church. Alan has said time and time again:

> The church is so much a part of our lives, it enhances everything we do.

Despite their youth, The Osmonds have performed in hundreds of cities and hamlets in every section of America and most of the world. As performers, their objective is to entertain; as human beings their goal is to guide and help those in need.

They are always meeting with young people to show that wonderful lives can be lived without the benefit of drugs or alcohol. They emphasize the sanctity of family life, and they feel that nothing compares with the joy of having their prayers answered and the joy of their family togetherness.

The Osmonds next project is a motion picture written about them and in which they will star. It is sure to bring new followers for I am sure it will be as beautiful and wholesome as their lives.

I am proud to know personally the Osmond family and to have them as citizens of Utah. I, too, thrill when I witness their great entertainment, and I know their mother and father, who have trained them from childhood to stardom and who are with them as loving parents and counselors through all of their training and travel. Theirs is a great family, not because of fame and talent, but because of love and trust and faith. I believe that the example which this family has set, typifies young American manhood at its best and should be an inspiration to all youth. Home, parents, children, love, appreciation of one another: What higher ideal is there?

MONDALE FIGHTS THE GOOD FIGHT

Mr. NELSON. Mr. President, the Senate has just finished one of the longest, most hard fought, and most complicated parliamentary battles in its history. I refer, of course, to the successful effort to amend rule XXII of the Standing Rules of the Senate.

After no fewer than 37 rollcall votes, dozens of dilatory motions, and countless quorum calls, the Senate worked its will. By a vote of 73 to 21 it invoked cloture on Senate Resolution 4, and, by a vote of 56 to 27, it passed the modified resolution.

The reform of Senate rule XXII is a significant victory for those who seek to make the Senate more efficient and better able to deal with the problems of this Nation.

Much of the credit for this important change in Senate procedures goes to the chief sponsors of Senate Resolution 4—the distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished Senator from Kansas (Mr. PEARSON).

Despite formidable opposition, these Senators steered Senate Resolution 4 through the parliamentary thicket and to final passage. They are to be congratulated and to be thanked.

The Minneapolis Star in an editorial

on March 3, 1975, described the efforts of Senators MONDALE and PEARSON as "a gallant fight." I concur in that characterization. I ask unanimous consent that the editorial entitled "Mondale Fights the Good Fight" be printed in the RECORD.

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

MONDALE FIGHTS THE GOOD FIGHT

Sen. Walter Mondale, D-Minn., led a gallant fight, with the help of Sen James B. Pearson, R-Kan., to modernize the mass-encrusted Senate filibuster rule. He emerged battered, but with hope for an honorable compromise of historical significance.

Filibustering has been an obstructionist tactic by a minority since the beginning of congressional history. However, the House, back in 1890, made it virtually impossible. In 1917 the Senate ended simon-pure filibustering with the two-thirds rule (67 votes now required to cut off debate if all 100 are present). Yet since then, debate has been cut off only 21 times.

Mondale's goal was to reduce the barrier so that three-fifths (or 60 percent) of those present and voting could invoke cloture to cut off debate. He argued that the two-thirds rule protected the right of debate at the expense of the right to decide, blocking social and economic legislation.

Even more serious than the strangling of any particular legislation or the waste of time, energy and money, has been the blow to the Senate's prestige. This is especially acute at a time when the nation is looking for Capitol Hill leadership in the wake of Watergate and when the House has taken long steps towards reform. The scrambling on Mondale's moderate proposal made the Senate look like a bunch of hopping jack rabbits, Democratic Leader Mike Mansfield declared. He could have been referring to any filibustering.

When the smoke cleared after a barrage of conservative rhetoric at Vice President Rockefeller and a rash of parliamentary jack-rabbiting, Mansfield and Sen. Russell Long, D-La., offered a bipartisan compromise. It calls for a 60 percent, or three-fifths, cut-off vote—but on a total membership base rather than on a base of those present and voting. Nevertheless, in a total vote situation, 60 instead of 67 votes would work. That's a breakthrough if the compromise is adopted. As Mondale said, in effect, it is better, if not the best.

KEEVE M. SIEGEL: ENERGY PIONEER

Mr. GRAVEL. Mr. President, last Thursday a mathematician-businessman named Keeve M. Siegel suffered a fatal stroke as he was testifying before the Joint Committee on Atomic Energy. Mr. Siegel, who owned a small firm called KMS Industries, was a pioneer in the field of fusion energy, and I want to take this opportunity to pay homage to him.

According to a number of articles published last year, KMS scored a significant breakthrough in the effort to harness the fusion process. The firm was able to make this progress in spite of the fact that it was working without the massive Government funding that is often thought to be essential for serious research in this field.

Mr. Siegel and his associates intended to employ fusion process not to generate electricity directly, but to produce high quality methane, the equivalent of natural gas.

Most important, KMS believed it could produce the gas at a highly competitive cost within 10 years.

Our Government agencies have generally held that fusion energy cannot be practicable for many decades, if at all. On this basis, we have devoted enormous sums of money to nuclear fission energy, despite the great dangers of that technology.

Mr. Siegel recognized the inherent superiority of the fusion process over fission energy. He saw that fusion, unlike fission, promised a virtually limitless and remarkably clean energy source. And instead of bowing to the conventional wisdom that fusion was "a long way down the pike" or too good to be true, he committed his talents and his limited resources to finding a way to develop fusion quickly.

Like Henry Kaiser, Mr. Siegel was interested in how the job could be done, not how it could not.

This is the kind of aggressive and innovative approach that we must employ to meet the energy challenge.

Mr. Amitai Etzioni, director of the Center for Policy Research, wrote about the energy crisis in the Washington Post earlier this year. He said:

Let us focus on those efforts which are desirable in themselves.

This is what Mr. Siegel did, and I believe our energy agencies should do the same, not only with regard to fusion, but also in the areas of solar, geothermal, and other clean or increasingly efficient energy systems.

Mr. President, to indicate the scope of Mr. Siegel's accomplishments and the promise that fusion energy holds, I ask unanimous consent that three entries be printed in the RECORD: First, the notice of Mr. Siegel's death from page 1 of the Washington Post; second, Mr. Siegel's prepared testimony for the Joint Committee on Atomic Energy; and finally, the article "KMS Bets Its Life on Nuclear Fusion" from last December's Fortune magazine.

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

STROKE KILLS HILL ENERGY WITNESS—THE WORDS STUCK IN HIS MOUTH

(By Richard M. Cohen)

The witness before the Joint Committee on Atomic Energy was a driven man, his friends and associates say a scientific genius who made a fortune and now was spending it in an obsessive attempt to prove he could make a cheap source of energy.

Now, with his dream perhaps within reach—and the government finally paying attention—Prof. Keeve M. Siegel, 52, was halfway through his testimony Thursday when suddenly the words stuck in his mouth.

"We are asking the government to help us . . ." read the next line of his prepared statement, but he could not say the words. He tried again, but failed.

As Siegel reached for a water glass, Rep. Teno Roncalio (D-Wyo.)) tried to mask the witness's embarrassment and started to talk about a vaguely relevent subject. Siegel sipped water. Roncalio talked on. The witness suddenly slumped.

"Stroke," his lawyer sitting behind him heard Siegel say. It was the last thing he said.

Siegel, who had been testifying about his firm's pioneering efforts to achieve cheap laser fusion, was rushed to George Washington University Hospital. He died there at 5 a.m. yesterday of a cerebral hemorrhage—a stroke.

Siegel left behind his wife and two sons. He left a company he had named after himself—KMS Industries, Inc.—and an idea he believed to be a major answer to the energy crisis. His friends are just as sure it killed him.

One friend, Eugene Zuckert, a KMS lawyer and former secretary of the Air Force, said: "Yesterday he (Siegel) said, 'It's very hard to get emotional when you've given your life to a project.'

"He didn't know how right he was."

Another associate put it differently: "His guts were just incredible," said Ned Trapnell, a KMS consultant. "He had put $13 million of his own money into this. He just cannibalized his company. He put his guts into this. And now his life."

Others tell the same story of Siegel. A seven-day week 20-hour days, a schedule so intense that between now and the first of April, Siegel did not have a single open day. What he had, he frequently said, was an idea. Others called it an obsession, and some said it was a pipedream.

With his associates, Siegel was working on a process to harness laser fusion to produce methane, a gas similar to natural gas. The work made him a pioneer in two ways: His firm was alone in the field and it was concentrating on the production of gas, while everyone else was working on laser-fusion techniques to ultimately produce electricity.

"The reason this was getting so significant is because Siegel said that they could be producing methane by the middle 1980s." said Trapnell. "That's 10 years sooner than we expect to get energy from any other fusion process.

"This is going a new fuel route. He said everyone else had a mental block against using gas," Trapnell added.

The KMS process involves using a laser beam to compress ionized gas, such as hydrogen, which is contained in specially made microscopic gas pellets. The laser compression causes fusion of the gas atoms, which can yield tremendous amounts of energy. Siegel believed this energy could be used to cheaply produce methane and replace dwindling supplies of natural gas. KMS has claimed many breakthroughs toward achieving this goal.

The effort began in 1969, without help from the old Atomic Energy Commission which refused to assist the firm.

Siegel plunged ahead anyway, forming a new company, KMS Fusion Industries Inc. and financing the venture himself, perhaps as much as $20 million by the time he died.

It was not the first time the obese scientist had taken off on his own. While on the faculty at the University of Michigan, the New Yorker had founded a successful research firm and sold for a profit.

He formed a new company, KMS Industries, turned it into a conglomerate, and after a discussion with William M. Elmer, chairman of Texas Gas Transmission Corp., Siegel resolved to perfect the cheap production of methane.

Unable to get federal money, Siegel cannibalized his own company—from 46 companies in 1969, down to six by 1974.

With some successes in recent years in laser fusion, Siegel came to Washington this week seeking $59.5 million in U.S. money over the next three years.

STATEMENT OF KEEVE M. SIEGEL, CHAIRMAN OF KMS INDUSTRIES, INC., BEFORE THE SUBCOMMITTEE ON LEGISLATION OF THE JOINT COMMITTEE ON ATOMIC ENERGY ON MARCH 13, 1975

Mr. Chairman and Members: My name is Keeve M. Siegel and I am Chairman and Chief Executive Officer of KMS Industries, Inc., and its subsidiary, KMS Fusion, Inc.

It is a great pleasure to address you today. KMS Fusion is firmly convinced by the work we have done and are doing for our own account, and work we have done and are doing for the Texas Gas Transmission Corporation, that methane, the equivalent of high quality natural gas can be produced at $1.50 a thousand cubic feet in today's dollars to go into the pipeline in the time frame of 1984–1986. This is based on a pilot plant being built and in operation for the production of hydrogen and methane about the end of 1979.

All projects we know of, associated with the gasification of coal, are expected to come out at least to $3.50 to $4.00 per thousand cubic feet. In other words, we expect the Texas Gas Transmission method to be priced in today's dollars at the equivalent of $9.00/barrel for oil or less, as compared to gas from coal gasification at the equivalent of $21/barrel or more for oil.

I am here to describe a laser-fusion energy research and applications program initiated outside of government. However, it is impossible for us to pursue the development of this vital new energy option at the necessary accelerated pace without significant government financial assistance.

Our company felt in 1969 that it could come up with what would eventually be an economically feasible fusion reactor. To date, we have invested over $20 million in laser-fusion. We have cannibalized KMS Industries by selling off divisions in order to obtain funds to conduct our fusion program. We have not been able to raise all the money we needed to go as fast as our original schedule would have taken us. Nevertheless, at the recent meeting of the International Atomic Energy Agency, an official representative of the U.S.S.R. conceded that our company was ahead of their laser-fusion effort in the amount of compression we have obtained and in our production of compression neutrons. More important than that, he recognized the fact that the laser-fusion reactor has now become a hopeful candidate to be the coming fusion reactor.

Gentlemen, it is NOT important that we are receiving international credibility. It is NOT important that our work may be competitive with that of the ERDA laboratories. What is important is that the people of the United States know that its government and industries are following every realistic possibility of solving the energy crisis and creating a convenient and economical source of energy, whether it be electricity, gas or liquid. Economical energy is the essential element to our country's prosperity. Therefore, it is important that our government fund all viable candidates for a solution. We believe our company is working on one of the viable solutions to produce a convenient source of energy at a price people can afford. The whole automotive industry would probably not survive major increases in the price of energy, that is, energy only for the rich. In fact that industry and its suppliers is based on the fact that almost everyone can afford energy to run an automobile.

The Texas Gas Transmission Corporation, through the ordinary processes of the free enterprise system has funded the hydrogen/methane activity in our corporation. If this process proves correct, I repeat, it will allow the beginning of the supply of synthetic natural gas in 1985 and offsetting part of the shortfall in natural gas existing at the time, all at a reasonable price.

I would like to quote from a letter from Wm. M Elmer, Chairman of the Board of Texas Gas Transmission Corporation, written January 21, 1975 to Dr. Robert C. Seamans:

"Texas Gas has funded all research and experimental work conducted for it by KMSF in connection with this hydrogen research program. So long as the experiments continue to produce positive results, both in the KMS Fusion basic laser fusion program and in our hydrogen research program, we intend to continue funding the hydrogen program and believe that our company has the financial capability of doing so. Texas Gas has not, however, funded KMS basic research in laser fusion and, although we are aware of the many benefits our nation can derive from the success of this basic research, we do not have the financial resources to fund that effort. KMS estimates that, if everything goes according to present schedule, the first pilot plant for the production of hydrogen and methane associated with laser fusion should be in operation in 1979 to 1980. They are presently estimating that the cost of such plant will be some $80 million, of which approximately one-half would be applicable to the hydrogen and methane operation. We feel that, as long as the experiments continue successful and as they reach the point where a pilot plant should be built, which we are very hopeful will be the case, our company should be able to take care of the funding of the hydrogen portion of the project. This is presently our intent."

There is no evidence available to us that any other laboratory in the world has discovered our method of producing hydrogen. When one looks at the overall process, our method is much more efficient, much less expensive and much less capital intensive than any other method.

We have already made certain engineering tests at what will be the full-scale temperature and pressures of the pilot plant. We have shown that the efficiencies stand up under such conditions. We have costed out as carefully as we could, all the processes associated with proving out these concepts. We have a great deal of faith in these analyses.

With respect to the fusion reaction necessary to produce neutrons to obtain hydrogen our past accomplishments speak for themselves. We lead the world in compression and compression neutrons. We are happy to announce today that we have shown volumetric compression of ordinary pellets of over 1000 and on pellets with dilute gases, of over 2400. It's not that those numbers are really important or that they lead the rest of the world by a factor of ten and that we probably lead the world in the generation of compression neutrons by a factor of 1000: what really is important is that so far as we know we are the only laboratory in the world that has the basic knowledge on how to go from the direct output of the pellet laser-fusion reaction to the production of hydrogen. We know our time scale is optimistic. On the other hand we feel that these goals are achievable.

We are asking the Government to help us since private sector support is unobtainable for the research essential for the progress of our work. Without the support we request, our program will not continue and the people of this country will be deprived of the opportunity to pursue development of an energy option which promises a major payoff in the mid-1980's. Our situation is a fundamental example of the conditions foreseen by the Congress in enacting the Federal Non-Nuclear Energy Act of 1974, with respect to Federal support of industry energy research and development efforts.

Competition in ideas and cooperation in work among industrial and government laboratories in the development of the fusion source is probably the most assured way of achieving success. If the laboratories can produce more energetic neutrons for a price better than we can, we would be happy to use their techniques as a source of energy to be used in the production of hydrogen and methane. But we think our having an independent program, and each making known his research accomplishments to the other, is the best way to solve the problem as quickly as possible.

In order to have the pilot plant in operation, we need $114.5 million, based on today's dollars. I have asked ERDA over the next three years to fund the research part of our program which is applicable to all laser-fusion activities, in the amount of $59.5 million which can be committed in phases. When you add that amount of money to Texas Gas Transmission's intent, as expressed above, and our own company's intent to furnish $15 million through the sale of an interest in KMS Fusion, that will in fact give us the money we need for the pilot plant.

We fully recognize that money does not exist in the present budget for ERDA to fund the $59.5 million portion of the $114.5 million we need, or even a reasonable portion of that. As a result we have suggested to ERDA the following, in my letter to Dr. Seamans of February 25th, and I quote:

"If you feel that it is impossible for you to fund our present proposal by reprogramming an amount of $4.7 million for this fiscal year, consider this letter as our company's official request to switch our proposal from a paid contract by ERDA, to a $60 million loan by the U.S. Government.

"What we are requesting is as contemplated by Sec. 7(a), paragraph (5) of *Forms of Federal Assistance* of the Act: 'Federal loans to non-Federal entities conducting demonstrations of new technologies'."

We are proud to go ahead under ERDA's banner [see the enclosed article from the March 7th issue of Science Magazine]. We feel ERDA has made and is making an excellent start on pulling energy research together and generating the concepts allowed through the Act to meet the country's crushing needs. We believe we offer through ERDA and to ERDA, a unique opportunity under Dr. Seaman's direction, to run together with the ERDA laboratories.

Every year the country is delayed in solving the energy problem is costing the American people $26 billion in import payments which makes the U.S. more dependent on other countries, and allows more of our country to be owned by others.

The cost to the Government and our people for the support of this program is insignificant in terms of current national expenditures and our energy import costs. On the other hand, the potential benefits are inestimably high in terms of our standard of living, energy independence and lastly, national security.

KMS INDUSTRIES BETS ITS LIFE ON LASER FUSION

(By Gene Bylinsky)

In the world of thermonuclear-fusion research, a certain bigness prevails—immense potentialities for the future, grand-scale efforts to overcome the technical obstacles, huge costs that only governments can afford. Yet a small company in Ann Arbor, Michigan, has been agitating that world with some seemingly audacious claims of success. KMS Fusion, Inc., says its scientists have mastered the key mechanism of laser-driven fusion—a feat that has so far eluded the big teams of government researchers in both the U.S. and the Soviet Union, as well as smaller groups in Great Britain, France, Japan, and West Germany.

What's more, the brash little company attained its results with exceedingly low laser energy. This raises questions about the soundness of U.S. and Soviet plans to build

mammoth lasers, which many scientists in both countries think are needed to attain success.

Experimental proof that laser fusion can be made to work would strengthen hopes that this new approach will leap-frog the older, more ponderous schemes to achieve fusion through magnetic confinement. (See "Lasers Blast a Shortcut to the Ultimate Energy Solution," FORTUNE, May.) Trying to kindle on earth the fusion that powers the stars, scientists have attempted to confine ionized gas, called plasma, inside magnetic fields, or "magnetic bottles," in the innards of big and expensive apparatus. In the interior of the sun and other stars, fusion takes place because of enormous gravitational pressure. Inside the experimental devices on earth, the plasma has to be compressed and heated electromagnetically to ignition. (Fusion scientists use terms such as "ignition" even though fusion, in which nuclei of light elements merge, is a different kind of process from chemical combustion.) There has been encouraging progress in magnetic confinement lately, but after nearly a quarter century of research and expenditures of more than $500 million in the U.S. alone, that approach hasn't lit the magic fire. A major difficulty is leakage from the magnetic bottles.

THREATENING TO UPSET THE SCENARIO

Laser fusion greatly simplifies the confinement scheme. Converging laser beams would hold a tiny ball of fuel for a brilliant moment, compressing it to a density 100 times that of lead and thus starting ignition. The resultant flux of neutrons would be captured as heat and transformed into electricity or made to do other useful work.

In the U.S., large-scale work on laser fusion began only about five years ago. The Soviet Union started earlier and now runs an impressive effort. The U.S. has been building up a similar enterprise, with $64 million in federal funds going into laser fusion in fiscal 1975. As part of the expanding federal program, a huge $25-million laser will be built at the AEC's Lawrence Livermore Laboratory near San Francisco to become operational in 1977. The Soviet Union is building a similar laser. Official U.S. plans do not call for possible commercial use of laser fusion until about the end of this century.

When KMS Fusion barged in, threatening to upset this leisurely scenario, the not unreasonable question arose how a small company, the only private company working directly in the field, could have outdone the government projects of the superpowers. Some skeptics suggested that KMS Fusion had made up the story to raise funds so that it could continue research in laser fusion. But the doubts faded considerably as the company kept reporting further advances. At a meeting of the American Physical Society in Albuquerque in October, 500 scientists listening to a KMS scientist reporting on the latest tests burst into applause when he finished.

What KMS Fusion has done so far, to be sure, is a very early step toward eventual construction of laser-fusion reactors. The company's scientists succeeded at the end of 1973 in using laser light to produce a slight compression of tiny glass pellets filled with deuterium and tritium (isotopes of hydrogen). Last May, they compressed the pellets further and started getting some energy output in the form of neutrons from the pellets—the first time anyone had obtained compression neutrons. In late October, by turning up the laser power a little, they got much greater compressions and a lot more neutrons. The company thus appears to be on the right course toward the next step, ignition inside the barely visible pellet. This would be equivalent to the first successful chain reaction in fission.

A FIREFLY 100 MILES AWAY

There is a great difference, of course, between the tiny sizzle in the microscopic pellet that KMS has achieved so far and the brilliant intensity of a full-fledged fusion burn that must precede net energy production. In the words of one scientist, it is "the difference between a firefly 100 miles away and a giant lightning stroke." Still, KMS has overcome what many scientists in the field considered to be the critical challenge in laser fusion: compressing the fuel pellet symmetrically so as to avoid producing instabilities that would prematurely break it apart.

In a reactor, laser energy would implode perhaps dozens of such pellets each second, one after another. Before KMS conducted its pathfinding experiments there was a question whether the basic process that underlies the concept of laser fusion could be made to work. The company's experiments showed that it could. Scientists at the Atomic Energy Commission and their Soviet counterparts now call the KMS feat "a significant first step" toward attainment of controlled laser fusion.

That a small private company has outdone huge governmental research efforts is no surprise to the energetic man behind it, mathematician-businessman Keeve M. Siegel, fifty-one, who endowed his company with his own initials. Siegel believes in "the lesson of the Cavendish Laboratory," the famous British research establishment "where a few bright people outinvented the world for a long period of time. And they did this literally with wires and chewing gum. There, the people motivated each other. In a small company, there is that same kind of drive for success. Whether the drive is motivated by the scientific people like it was at Cavendish, or by the desire to make a buck, I think that's all incidental."

Siegel's own motivation includes but also transcends the desire to make money. He is already a millionaire from a previous venture in high technology, so he can afford to indulge in some philosophy, too. A noted physicist says that Siegel "has developed a Jehovah complex over laser fusion." Siegel speaks intensely and persuasively about laser fusion as a new source of potentially unlimited energy, at once freeing the U.S. from its dependence on imported oil and cooling the inflationary fever too.

USING NEUTRONS TO FILL PIPELINES

A boldly innovative aspect of the KMS approach is the idea of utilizing fusion neutrons not to produce electricity, as almost everyone else in fusion research wants to do, but to produce methane, the principal ingredient in natural gas. The neutrons would be used to break down water molecules into their constituent elements, hydrogen and oxygen. The hydrogen would be converted into methane, which would be put straight into pipelines.

This novel idea evokes admiration on the part of some of the experts who have talked about a "hydrogen economy," in which hydrogen (produced by electrolysis) would be substituted for natural gas. Because hydrogen is so volatile, that transformation would be complex and costly, requiring extensive changeover in distribution lines, storage facilities, pumping stations, household appliances, and other hardware. The alternative "methane economy" that Siegel is preaching would supplement our supplies of natural gas (which is more than 80 percent methane) while leaving pipelines, pumps, and appliances intact. To prove out the process, KMS Fusion is already producing hydrogen "by the thimbleful and bucketfull," as Siegel puts it, with neutrons from conventional generators.

Since fusion can generate more energy per pound of fuel than any other reaction, the use of fusion neutrons to produce hydrogen could be an inexpensive and highly efficient process. The lack of cheap hydrogen has been an impediment to economic coal gasification. With cheap fusion-generated hydrogen, it would be possible to produce methane cheaply and abundantly by making hydrogen react with coal or with carbon derived from limestone. "If it works," say the chairman of a pipeline company that supports research at KMS Fusion, "it will be like the invention of the electric light."

Siegel and his associates figure that by taking the shortcut from pellet to pipeline, their company could cut years from the development of economic fusion power. The design of a methane generator would be simpler than that of an electric-generating fusion plant. Scientists at KMS Fusion talk about having a pilot methane generator operating about five years from now if the company gets enough financial and technical help from the government and from larger companies.

Most researchers at the AEC and at universities consider such optimism nothing short of reckless. Although they admire the technical achievements at KMS Fusion, these experts, almost to a man, don't see a demonstration power reactor until the bid 1990's.

STEEP HEIGHTS TO BE SCALED

Crucial tests to settle the issue may be performed in the next few months, or at the most in the next few years. Ignition will be a critical step. After that must come "scientific breakdown," where the flux of energetic neutrons and alpha particles from the fusion process equals the energy in the laser beam applied on the pellet. Another steep height to be scaled will be "total breakeven," or "engineering breakeven," where the energy produced by the pellet exceeds the energy put into the overall system that powers the laser. After that comes the tough engineering task of developing the fusion reactor.

So far, KMS has invested $19 million in laser fusion. Some outsiders doubt the company's ability to last out what they view as a long and arduous race. Siegel, who puts the cost of a methane pilot plant at about $85 million, readily concedes the possibility of having to drop out. "You are not talking to a corporation whose future is assured," he says, "and as chief executive I have told that to my shareholders."

A TOUCH OF THE GAMBLER

The answer to the question of what such a small company is doing in such an expensive and demanding field involves the ambitions and dreams of "Kip" Siegel. He is a man of huge girth and huge ego, energized by a pressing need to be liked, praised, and appreciated. An expert on electromagnetic theory and a former University of Michigan professor, Siegel has long cherished the dream of building a major corporation. He made at least $4 million from his previous venture, Conductron Corp. He has faced skepticism before. While running Conductron, for instance, he proposed a technique to make U.S. missile nose cones less vulnerable to enemy radar. Some scientists said it couldn't be done, but Siegel went ahead and proved it could.

Siegel is something of a gambler. He is part owner of a stable of trotters and likes to watch his horses run. What gamble, if it pays off, would pay more than a bet on a solution to the energy predicament? His bet on laser fusion is a big one. He has been selling off divisions of KMS Industries, the parent company, to keep KMS Fusion going, and has put in about $3 million of his own as well.

Siegel had no intention of getting into laser fusion when he started KMS Industries in 1967. Conductron, a profitable electronics company, had been absorbed into McDonnell Aircraft Corp., and Siegel had resigned after

a disagreement with Chairman James S. McDonnell. Rebounding with amazing speed, Siegel took only a week to found KMS Industries. He assembled a pool of scientists—many followed him from Conductron—and began installing them in old, experienced, but technically backward companies that he acquired with KMS stock. His idea was to invigorate these companies with new technological skills and new products to be marketed through their established sales channels.

KMS Industries reached sales of $12.2 million in its first year, and leaped to $51.7 million in its second, partly thanks to acquisitions. During 1967–69, KMS Industries acquired no less than forty-six companies. Then, in late 1969, Siegel discovered laser fusion.

NEEDED: A NEW IDEA

The concept that KMS Fusion has used so successfully was worked out by Keith A. Brueckner, an imaginative theoretical physicist. Starting in 1968, Brueckner divided his time between the University of California at San Diego and a KMS subsidiary in southern California. He also spent about eight days a year as a consultant to the AEC's magnetic-confinement program.

In the course of his work for the AEC, Brueckner could observe the high interest in laser fusion in the Soviet Union and elsewhere. He tried to prod the AEC into starting an active program and even presided over a meeting to discuss the subject. But laser fusion got a cool reception because the AEC scientists at the meeting believed, among other things, that very large and much more efficient lasers would be needed to achieve success.

Brueckner then asked Siegel what it would take for KMS to underwrite a fusion project. "A new idea," Siegel said. Not long afterward, Brueckner came up with one. He worked out a compression and implosion scheme that by his calculations would require far less laser power than the AEC calculations suggested.

Siegel and Brueckner approached the AEC. From their understanding of the Atomic Energy Act, they assumed that Brueckner's results would not be patentable. Accordingly, they were surprised when the AEC's research director urged them to file patents.

It turned out, however, that a number of AEC scientists had secretly worked on implosion schemes on and off since the late 1950's. The news of KMS's entry into laser fusion therefore raised a lot of eyebrows in Livermore and other AEC labs. The AEC had no patents in the field because it had considered laser fusion to be related to weapons development. Yet here was a private company applying for patents that touched on the AEC's own secret work aimed at a potential use of the laser as an H-bomb trigger. (Even today, that concept remains impractical. A laser big enough to trigger an H-bomb would cost perhaps $10 million, and it would have to be transported by ship. Says Brueckner, "You could do more damage by dropping the laser than by dropping the bomb.")

BATTLING ATOMIC BUREAUCRATS

Brueckner and KMS got caught in the whiplash. The commission got tough and directed KMS to stop its laser-fusion research, on the ground that the work related to nuclear weapons. The AEC conceded that it couldn't stop Brueckner from thinking, but instructed him to stop discussing the ideas with his co-workers. He was also prohibited from doing any calculations relating to laser fusion, except in his head.

The AEC tried to talk KMS into quitting the field, but Siegel decided to fight. He hired lawyers and even wrote a letter to President Nixon. Slowly, the AEC eased its restrictions. In February, 1971, the commission gave KMS a contract that allowed the company to work in laser fusion without government funds, without access to government information, but under government control. The AEC also reserved the right to contest any patents issued to KMS.

The toughest provision prohibited KMS from hiring any scientist, technician, or engineer who had ever worked in federal laser or nuclear-weapons programs. The AEC interpreted this provision literally. KMS officials recall that once when they submitted a list of fifteen proposed employees, the agency turned down thirteen; it approved only the two secretaries on the list. This kind of thing effectively limited hiring to people with no experience in the field.

To provide leadership for Siegel's scientists, Brueckner took a leave of absence from his teaching post. Late in 1971, he and five other scientists from the KMS subsidiary in California moved to Ann Arbor. To further strengthen newly organized KMS Fusion, Inc., Siegel had brought in Henry J. Gomberg, an experienced nuclear scientist, as president of the enterprise. Toward the end of 1971, Gomberg succeeded in convincing James Schlesinger, who had just become AEC chairman, to make a new interpretation of the contract with KMS so that the company could hire scientists and technicians who had left AEC or defense jobs at least two years earlier. That greatly eased the recruiting difficulties.

Delayed in its schedule for about two years, KMS was able to begin large-scale work only in 1971. For about $1 million it bought from Compagnie Générale d'Electricité in France the biggest and most powerful laser system that was commercially available. Made of glass containing a touch of the element neodymium, the laser was so large it could be flown to New York only in a Boeing 747 cargo plane. It was then shipped to Ann Arbor in specially equipped vans.

TRICKS WITH MIRRORS

In efforts to achieve symmetrical compression of the fuel pellet, most laser-fusion projects split the laser beam into a large number of sub-beams and have them converge on the target from many directions. But this approach introduces the difficult problem of synchronizing and focusing the beams so that they will all hit a target the size of a grain of dust in the same billionth or trillionth of a second.

Under pressure to minimize costs, KMS took a quite different approach: splitting the laser beam only once, and using mirrors and lenses to illuminate the pellet from many directions. This was a much more elegant solution than the multiple-beam approach.

Another important advance was the "pulse stacker." With this instrument, the ultrashort laser pulse can be stretched, accordion-like, so that when the pulse hits the pellet the pressure is applied in a graduated way. Without a "pulse stacker," the laser's short blast would hit the pellet like a hammer.

KMS also started developing new types of fuel pellets and learning how to mass-produce them. This was no easy task since it involves extremely close tolerances and the use of radioactive tritium gas. The deuterium and tritium are diffused into the tiny glass spheres by heating under pressure; the gas becomes trapped inside when the pellets are cooled. KMS has mastered the process to such an extent that it can mass-produce the pellets for less than a hundredth of a cent apiece.

CANNIBALIZING A COMPANY

Even with innovative and successful efforts to hold down on costs, fusion research is very expensive. What's more, Siegel moved into fusion at a time when KMS Industries was already facing financial stress. The trouble came in an avalanche. First, the 1969 recession. KMS stock plunged from 73 a share to 12½. Then, early in 1970, the company was suddenly asked to repay $16.7 million to Detroit's Bank of the Commonwealth, which found itself in trouble, and a year later another $5 million to John Hancock Mutual Life Insurance Co., which had purchased a twenty-year debenture but now, wary of the fusion venture, wanted its money back.

To pay off the debts and get money for the fusion project, Siegel started selling off divisions. In many cases he tried to sell to previous owners, and often he succeeded. Graphic Services went back to its original owners for $1.7 million. So did the lens division, for $896,000. A few months later, Vail-Ballou, a book-manufacturing company, was sold to Maple Press for $4.8 million. The divisions went fast after that: two more in 1970, eight in 1971, five in 1972, two in 1973.

Today KMS Industries has only six divisions left, including fusion, and is seeking to dispose of most of the remaining nonfusion work. With most divisions gone, total sales have fallen from a high of $59 million in 1969 to $6 million in 1973; the stock declined to an all-time low of 1⅝ this year.

From the "cannibalizing," as Siegel calls it, the company took in $33 million. To get more funds for fusion research, Siegel tried to attract big companies as partners. In 1972, Texas Gas Transmission Corp., concerned over the possibility that its natural-gas pipelines would be only half full in 1980, decided to support KMS research into fusion-produced hydrogen. It has so far contributed about $1.6 million.

TOWARD THE MOST FOR THE BUCK

To help finance the fusion side of the work, Siegel succeeded in late 1973 in signing on Burmah Oil Co. Ltd., the huge British petroleum concern. Burmah has so far guaranteed bank loans of $12.5 million and has options to buy up to 20 percent of the company for up to $27.9 million.

With its own money and Burmah's guarantees, KMS Fusion constructed and equipped a "shooting gallery," where the rifle-like cracks of laser firings resound as the tiny pellets are blasted in a vacuum chamber at the rate of about ten shots a day.

Brueckner's calculations had looked so good that Siegel had expansively predicted that KMS would achieve scientific breakeven by December 31, 1973. But the technical problems turned out tougher than expected. By the end of 1973, KMS Fusion was still far from that goal, although it could report some slight compressions of the pellets, without generation of "true" fusion neutrons. (It is relatively easy to obtain "false" neutrons from the corona that forms around the fuel pellet.) The Russians were reporting similar results.

A major milestone in KMS Fusion's drive for what Siegel calls "the most neutrons for the buck" was reached at 4:30 p.m. last May 1. The pop of pellet shot No. 1036 had just echoed through the "shooting gallery" when Roy Johnson, a young physicist who supervises the experiments, tore off a Polaroid print from a recording camera and shouted somewhat hysterically: "We've got neutrons!"

CHAMPAGNE AND INCREDULITY

Other instruments were also indicating that the pellet had been compressed and imploded. If they were right, KMS scientists were the first in the world to see laser fusion taking place, though only on a tiny scale. Brueckner went out and returned with a case of champagne for the scientific crew.

Siegel telephoned the scientist he had recruited to be KMS Fusion's "test monitor": Nobel Prize-winning physicist Robert Hofstadter of Stanford University. (He was then director of Stanford's big high-energy laboratory.) Hofstadter flew in to observe

additional tests. The experiment was successfully repeated four times before KMS reported the facts to the AEC, which reviews the company's progress and all its public statements about laser fusion.

The news, as released, met with a lot of incredulity. Part of the problem was that KMS was caught between the SEC, which requires immediate disclosure of important developments, and the AEC, which censored some important facts because of concern about security. Both criteria conflict with the scientific procedure of first presenting papers at meetings and publishing them in journals. Not until August did the AEC declassify the fact that KMS had been using a new kind of pellet, a glass sphere filled with hydrogen isotopes. One newspaper, not familiar with the AEC's role in the disclosures, even claimed that the AEC had questioned the use of the word "unambiguously"—which in fact the AEC had suggested—in the KMS news release. There were also other ill-informed press reports.

The skepticism generally faded after a large contingent of AEC scientists came to KMS for a briefing and after KMS scientists showed they could repeat the compressions easily. Says John Nuckolls of Livermore Lab, a leading theoretician: "These are the best laser-implosion experiments so far."

Continuing to scale up compressions and neutron yields, KMS recently achieved compressions of 250 times by volume and obtained seven million neutrons per shot. The company hopes to achieve ignition and scientific breakeven in the next year and a half.

In sunny Livermore, they proudly point to a big hole in the ground where a three-story building will rise to house that huge laser. AEC scientists there express doubts that KMS can move as fast as it says it can. "KMS," says Nuckolls, "has come out of the starting gate with a quarter horse in a mile race. The race has gone about a quarter of a mile so far and just watch the next quarter. I think they have about run their horse out. Now the longer-running horses can take over."

Nuckolls means that the KMS laser is not powerful enough for KMS to get much further, but he admits that he doesn't really know whether scientific breakeven can be achieved with a laser that size. It's a difficult time to be a theoretician in this fast-moving field, and KMS Fusion appears to be rewriting the theory. The AEC badly underestimated KMS when it blandly stated in 1971: "We do not foresee KMS proceeding at a pace in advance of our laboratories. We do not believe it will be possible for such a firm to compete with the vast experience and resources of our laboratories."

LIVING FROM MONTH TO MONTH

So far, KMS Fusion has proved the AEC wrong. But even if the company soon attains a net energy gain with its present laser, a number of tough engineering barriers stand in the way of a laser-fusion reactor. The laser would have to fire at pellets at a rate of as many as 6,000 times a minute. No such laser exists today, although there are prospects under development.

Another difficult task is designing reactor chamber walls that would withstand the constant battering by neutrons and alpha particles, and the mechanical strains of millions of consecutive pellet explosions, each amounting to several pounds of TNT. Siegel insists, however, that KMS has made significant progress in designing reactor walls for hydrogen production. He dismisses other scientists' doubts with an optimistic "What they think are hard problems aren't." In his view, the problems KMS faces are no longer scientific. "The major obstacle is me and my ability to raise money. I don't think it's science anymore. It's financial breakeven." Adds a KMS executive: "Everything is a cliffhanger. We practically live from month to month."

Much more is at stake, of course, than the personal triumph or defeat of Keeve M. Siegel or any other scientist. It is entirely possible that KMS Fusion will fail for lack of funds before it has had a chance to prove its concepts. "If Siegel and his scientists are right in the parameters they've set," says a friend, "then everybody will be the loser if the project is not pursued to a successful conclusion."

THE MICHAEL FROME CONTROVERSY

Mr. METCALF. Mr. President, in a controversial decision last October, the national sportsman's magazine, Field and Stream, dismissed its conservation editor of nearly 7 years standing. The firing of Michael Frome climaxed an increasingly bitter internal struggle over editorial policy.

Mr. Frome has gained a national reputation as a spokesman for conservation. He has spoken many times in Montana, and counts among his friends many people in my State who were shocked by his dismissal.

I have in my possession several items of correspondence which shed light on the controversy—with particular regard to the Field and Stream assertion that Mr. Frome is "antihunting." I would like to introduce them into the CONGRESSIONAL RECORD at this time in the following order:

First. Field and Stream's letter of dismisal to Mr. Frome.

Second. Field and Stream's explanatory letter to Mr. Donald Aldrich, Executive secretary, Montana Wildlife Federation, plus an attachment.

Third. Reply from Mr. Aldrich.

Fourth. Reply from Montana Fish and Game Director Wesley Woodgerd, who received the same letter.

Fifth. Article by columnist Dale Burk in the Daily Missoulian, Missoula, Mont.

Sixth. Comment by Bill Schneider, editor of Montana Outdoors, in the March–April edition.

Under no circumstances could any of these gentlemen be considered as "antihunting." I especially direct the reader's attention to Mr. Aldrich's eloquent reply on this subject.

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

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

[PERSONAL AND CONFIDENTIAL]

FIELD & STREAM,
October 1, 1974.

Mr. MICHAEL FROME,
Alexandria, Va.

DEAR MIKE: Field & Stream, during its 80-year history, has made adjustments to changes in many areas of the outdoors. The change in life styles of our readers have necessitated these shifts of emphasis. We think—in the light of our continued growth—that these decisions have been made wisely. And I am equally as certain, in the vast majority of cases, the editors made the changes solely in the best interest of this fine old magazine.

It is for that reason we contemplate handling our conservation department in a slightly different manner. This will not only require a modification in the editorial approach—as it pertains to our 8 million hunting and fishing readers—but will mean a change in editorial personnel. It is for that reason I am writing you this today so that you have sufficient time to make your plans. Our new format will begin with the January, 1975 issue. You will receive a check for your December 1974, department column, but none will be required from you for the following month.

Let me wish you all the best in your conservation career and I would hope that we all succeed in slowing down the destruction of the great outdoors we all love so well, regardless of what method we use to achieve this end.

Best personal regards,

JACK SAMSON,
Editor.

FIELD & STREAM,
New York, N.Y., January 21, 1975.

Mr. I. DONALD ALDRICH,
Editor, Environmental News,
Missoula, Mont.

DEAR MR. ALDRICH: There has been some erroneous speculation in the past few months as to the reason Michael Frome's conservation column was dropped from Field & Stream.

Mr. Frome and friends have tried to convince outdoor publications that CBS (which owns Field & Stream and a number of other magazines as part of its vast CBS publishing group) had him fired for political reasons. Nonsense. CBS had no idea who freelance writer Frome was.

Frome was fired from Field & Stream because I did not think he was doing a very good job with the department; because I wanted to give more of the outdoor sportsman's side of conservation and game management; and because Frome was anti-hunting. I personally fired him because—while I certainly have no objection to anyone freely expressing an opinion in this great country—when someone writes anti-hunting material in another publication and also submits a monthly conservation column to this 80-year-old hunting and fishing magazine, it is more than sufficient grounds for dropping that column. No one who is anti-hunting will remain on the masthead of Field & Stream as long as I am editor.

The enclosed direct quote from Cleveland Amory's non-factual, anti-hunting book, "Man Kind: Our Incredible War On Wildlife," should be self explanatory. There is no mistaking its meaning or its intent

Sincerely yours,

JACK SAMSON,
Editor

MAN KIND? OUR INCREDIBLE WAR ON WILDLIFE

(By Cleveland Amory)

In fairness to the hunting "establishment," there have been numerous instances of late of its card-carrying members being seriously worried about the future of hunting. An example of this was the fine book by *Field & Stream* columnist Michael Frome, "Battle for the Wilderness." Not only did the book contain much justly deserved praise of the work of the dedicated Wilderness Society—it was also sharply critical of hunting:

Although hunting plays a valid role as an outdoors experience, the rightness of one being to kill another for sport is now extremely moot. The need to hunt for food is gone. Much of sport hunting has scant relevancy to primitive instincts or old traditions. It does little to instill a conservation conscience. Blasting polar bears from airplanes, hunting the Arabian oryx—or deer—from automobiles, trail bikes, or snowmobiles, tracking a quarry with walkie-talkie radios, killing for the sake of killing annihilate the hunt's

essential character. There can't be much thrill to "the chase" when there is little chase. At one end of the spectrum, "slob hunters" shoot farmers' livestock, road signs, and each other. At the opposite end are the superpredators: jet-set gunners whose greatest goal is to mount on their walls one of everything that walked Noah's plank.

MISSOULA, MONT.
January 31, 1975.

Mr. JACK SAMSON,
Editor,
Field & Stream,
New York, N.Y.

DEAR MR. SAMSON: Your letter of January 21 attempting to clear CBS of implication in the firing of Mike Frome forces me to question the objectives of Field & Stream and you, its editor.

If sport hunting, to you, means using airplanes to locate, approach and herd polar bears to their executioner; you may as well condone the snowmobile sport running down and running over coyotes and rabbits. The practice of approaching the hunted animal by automobile, motorized cycles, and oversnow machines and the use of radio equipment to coordinate the search for game animals not only provides ammunition for the anti-hunting groups, it repulses a true sportsman.

If you wish to initiate a program that could be effective in derailing the wildlife preservationist, I would suggest a committee of editors of wildlife publications, outdoor writers, outfitters, and guides, and taxidermists to study the potential for undesirable reaction to blood-and-but stories, advertising, and photography so evident in today's outdoor magazines. My file is full of pictures taken with my sons and our friends posing with their kill. They mean a lot to me, but I don't try to make others share my pleasure unless I am sure they will not be offended.

The "Battle for Wilderness" does an excellent job evaluating man's impact on the life support system. It identifies the hunter's contribution to wildlife; the habitat losses that have contributed to declining animal populations and provides the information necessary to support worthwhile goals.

Since "The Battle for Wilderness" is a continuation of Mike Frome's exposure of environmental desecration and since industrial practices were severely criticized in such a discussion, it would be unrealistic to believe that industry doesn't react, that they don't buy advertising, that CBS doesn't know what its major advertisers want, and therefore, that "CBS had no idea who free lance writer Frome was."

For the record, I have hunted big game since 1922 so don't write me off as an anti-hunter. Memories of past hunts and anticipation of those to come enriches every day of my life. The opportunity to really know a friend, the thrill of becoming a part of a wild community, the physical challenge and the rewarding fatigue cannot be equaled once it has been experienced.

I regret such a letter from an editor of an 80-year old hunting and fishing magazine. I feel that you have either tried to take me in or you have been had.

Sincerely,

DONALD ALDRICH,
Executive Secretary,
Montana Wildlife Federation.

HELENA, MONT.,
February 13, 1975.

Mr. JACK SAMSON,
Editor, Field & Stream,
New York, N.Y.

DEAR MR. SAMSON: I was very interested in your letter concerning Mike Frome's dismissal from Field & Stream. I know him personally and so do several members of my staff.

We always approved of his hard-nosed approach to the most serious threat to wildlife—habitat destruction. Apparently he chose to leave the more traditional, but less meaningful, topics to other outdoor writers.

Wildlife's only salvation lies in protecting vital habitat. Unfortunately this often involves entering the political world of controversy. In short, we mostly agreed with the theme of Frome's writing and thus were sorry to see him leave Field & Stream.

We've reviewed his book, The Battle for the Wilderness, and don't consider it "anti-hunting." Perhaps a few paragraphs could have been more carefully worded; however, it seems to me that he is attacking some of the shoddy practices that give all hunters a bad name. Our department also campaigns against unsportsmanlike conduct and unethical hunting practices.

Of course, we have no insight into what, if any, corporate pressure prompted his firing. On that point we accept your assurances that it was indeed your decision. More wildlife habitat disappears every day, but many sportsmen don't seem to realize it. In our opinion, Frome's writing covered the issue in a logical manner.

Also, judging from the comments we've received, Frome's writing added considerably to the popularity of Field & Stream. We sometimes take the same tack in our magazine, Montana Outdoors, and although on a much smaller scale, we have had mostly favorable comments from sportsmen.

Again, thanks for your letter, and I hope Field & Stream can continue to campaign for wildlife habitat protection.

Sincerely,

WESLEY R. WOODGERD,
State Fish and Game Director.

FIELD AND STREAM ALL WET ABOUT FROME'S FIRING

The national outdoor magazine Field and Stream has been caught with its redfaced phoniness showing in the recent firing of conservation writer Michael Frome.

As Don Aldrich of Missoula, executive secretary of the Montana Wildlife Federation, put it in comments printed in The Missoulian recently, the reason the magazine has given for firing Frome simply doesn't stand up to the facts. In other words, the reason it gives isn't the real reason for Frome's dismissal—a coverup if you will.

Aldrich was among numerous conservationists and sportsmen nationwide who protested the firing of Frome, a popular, gutsy conservation writer whose columns in Field and Stream and elsewhere tackled the real issues with gusto and integrity.

Frome wrote of the real threats to this nation's shrinking outdoor resources, subdivision and unwise land development, poor forestry practices and abuse of the multiple-use doctrine on public and private forest lands, stream channelization, the ravages of strip mining and mineral prospecting, air and water pollution, and politicians who sold out the sportsmen's interests to big-money lobby interests.

He also wrote of another threat to the future of hunting that needed exploring in magazines dedicated to true sportsmanship and the future of the sport of hunting—the need of sportsmen themselves to police the bad guy element within their own ranks, the "slob hunters" who violate all the basic rules of outdoor sportsmanship and give hunting and hunters a bad name.

In so doing, Frome developed quite a following among sportsmen, conservationists, and even Congressmen. And his followers weren't about to stand for what they considered his unjustified firing. Some 50 conservationists in Washington, D.C. picketed the CBS offices there to protest Frome's dismissal (CBS owns Field and Stream). Joseph Browder, director of the Environmental Policy Center there, said, "Frome has raised the consciousness of millions of readers from bag limits and such to the real questions of what's happening to our resources and what can be done to protect them."

Hundreds of letters poured into Field and Stream, among them Aldrich's and from other Montanans, for Frome has written much about resource problems in Montana, most notably the strip mining question and strong criticism of national forest management.

In fact, his final column—which Editor Jack Samson did not run—was an incisive and to-the-point critique of the U.S. Forest Service's grotesquely exploitive plan to turn the national forests into industry tree farms, the "Environmental Program for the Future" issued by the agency last year.

Frome also received support in the halls of Congress. Time magazine did an article about his firing. Rep. Henry Reuss, D-Wis., chairman of the House subcommittee on conservation and natural resources, said, "If Field & Stream has no place for Frome, then we have come to a time when the voice of conservation is, quite literally, a voice crying in the wilderness."

Rep. Silvio O. Conte, R-Mass., said he believed Frome's firing was for political reasons. "Mike Frome was fired because he created too much heat in the kitchen for the media barons at the Columbia Broadcasting System, which is Field and Stream magazine's corporate parent. Because he occasionally dared to attack those politicians who control legislation and committees important to CBS, Mike Frome was censored, censured—and finally dismissed."

Conte pointed out that Frome started the idea, with then-editor of Field and Stream Clare Conley, of rating congressmen on their conservation voting records just before election day. "Fearlessly, yet responsibly, he attacked the influential along with the inept," Conte said. "When he tagged influential members with 'poor' or 'marginal' ratings, he caused headaches for CBS. Many politicians complained. Subsequently, Frome's column started to encounter editorial hurdles."

Conte's use of the word hurdles might as well have been editorial cowardice. Samson, who replaced Conley as editor of the magazine in 1972, has not run the ratings of congressmen since and often has edited Frome's columns to eliminate potential controversy.

"It is intolerable that CBS, which prides itself as a national symbol and defender of the principles of free speech and free press, can get away with the firing of Mike Frome because he exercised these principles," Conte said.

To its further discredit, Field and Stream also has changed its story at least three times as to why it fired Frome. Samson wrote Frome Oct. 1, 1974, giving him notice of his dismissal. "The change in life styles of our readers have necessitated these shifts of emphasis," Samson wrote Frome, commenting on adjustments the magazine had made to changes in its 80-year history. He also said: "It is for that reason we contemplate handling our conservation department in a slightly different manner. This will not only require a modification in the editorial approach—as it pertains to our 8 million hunting and fishing readers—but will mean a change in editorial personnel."

Then Samson told a Time magazine reporter, "I just don't think Mike Frome did a very good job."

And now Samson is saying he fired Frome because the writer is "antihunting." At least that is the excuse Samson is giving to persons who write and complain of Frome's dismissal. And Samson quotes an excerpt from Frome's recent book "Battle for the Wilderness" as "proof" that Frome is antihunting. In the excerpt quoted, Frome takes direct issue with those within the hunting frater-

nity who wittingly or unwittingly are helping to destroy the sport—the bad sportsman and those who violate the ethics of fair chase in the pursuit of game by using vehicles and other mechanical contrivances to take unfair advantage of the animal hunted. Frome correctly cited two extremes of what sportsmen call "slob" hunters who give the sport a bad name: At one extreme "slob hunters shoot farmers' livestock, road signs, and each other," while on the other extreme there are the "jet-set gunners whose greatest goal is to mount on their walls one of everything that walked Noah's plank."

Samson is incorrect in assuming that this statement is antihunting. It is simply anti-bad-hunting practices and any responsible sportsman would share Frome's point of view that hunters must deal responsibly to eliminate from their ranks those who cause the sport much trouble and lend fire to the antihunting forces.

Aldrich, in responding to Samson, said it best: "If sports hunting to you means using airplanes to locate, approach and herd polar bears to their executioner, you may as well condone the snowmobile sport of running down and running over coyotes and rabbits," Aldrich said. "The practice of approaching the hunted animal by automobile, motorized cycles and over-snow machines and the use of radio equipment to coordinate the search for game animals not only provides ammunition for the antihunting groups, it repulses a true sportsman."

He didn't, but also might have said, that Samson and Field and Stream do the cause of responsible resource management and the sport of hunting a disfavor to cloud the issue as they have. The real reason behind Frome's dismissal obviously is not antihunting or his competency as a writer. Aldrich is adamant in his belief that Frome was fired because he attacked poor environmental practices by industries in a position to affect the magazine's income from advertising.

Rep. Conte put it in these terms: "With the dismissal of Mike Frome, the media barons have tarnished the CBS halo. It appears that when the chips were down, the public interest was sacrificed to the corporation's self-interest. If so, then the firing of Mike Frome must be interpreted as a selfish and hypocritical act."

FIELD & STREAM DUMPS FROME

After many years of determined defense of wildlife, quality outdoor recreation and a better environment, Field & Stream has apparently buckled under to corporate pressure. "America's Number One Sportsman's Magazine" recently fired widely known and sometimes controversial conservation editor, Mike Frome.

Until last November, Frome wrote a hard-hitting monthly column for Field & Stream, which is owned by CBS, Inc. The magazine's management called it an "internal editorial decision." However, it's widely theorized that things were simply getting "too hot" for CBS officials who, in turn, ordered Frome's walking papers.

In his writing, Frome came down hard on many delicate political issues such as the Alaska pipeline, real estate hustling, poor forestry practices, federal dam building, stream alteration, anti-hunting sentiment, wilderness preservation, unsportsmanlike hunting, shoddy grazing programs, public land management and more. He championed wildlife as an indicator of where man's world was going and pointedly campaigned against habitat destruction.

Also, he exposed unresponsive—and sometimes unresponsible—politicians and bureaucrats. This meant publishing voting records and in-depth reports of bureaucratic boondoggles laced with names, details and other specific facts.

Frome confirmed this at a December 1974 gathering of the Montana Wilderness Association in Missoula. In his keynote address, he blasted federal bureaucrats for accelerating development of the Rocky Mountain region. Specifically, he called Interior Secretary Rogers C.B. Morton and Agriculture Secretary Earl Butz "two of the most dangerous men in America." The controversial writer named Forest Service chief John McGuire as a "close third."

Frome said leadership in wise land management "has got to come from out here." The Rocky Mountain region has the resources that Wall Street and the eastern bankers want, he noted.

The former columnist also recounted his last months with Field & Stream. In his years with the magazine, he wrote 75 monthly columns and 12 special features. Everything went well, he remarked, until spring 1973.

With the editor's consent, Frome had traveled to New Mexico to follow up confidential reports of shady land dealings. After some hard-nosed investigating, he discovered a large real estate firm had suspiciously obtained—through land exchanges—title to a half million acres of Bureau of Land Management land. And the private developer stood to make millions selling his newly acquired real estate.

Frome detailed his findings in his monthly column and sent it off for publication in the June 1973 issue. But it never appeared in print—the first sign of corporate censorship, according to Frome. At the Missoula conference, the writer explained how things went from worse to terrible after that. In October 1973, he received the letter of dismissal. The correspondence didn't, in Frome's words, "contain any reasons for the dismissal."

(Frome's pen was similarly silenced a few years ago. The American Forests magazine canceled Frome's regular column after he "felt obligated" (his words) to reveal the injustices of poor timber management such as overcutting in the national forests.)

After hearing Frome speak and visiting with him personally, one can easily regret the absence of his voice in "America's Number One Sportsman's Magazine." Fortunately, however, his pen won't sit idle. Frome told MO he will continue to work for wildlife and man by "facing the gut issues on all fronts."—BILL SCHNEIDER.

DID SUPREME COURT EQUATE PRESS AND BROADCASTING?

Mr. PROXMIRE. Mr. President, the U.S. Supreme Court on March 3 handed down an opinion that has received quite a bit of attention in the press. In essence, the Supreme Court held that an Atlanta television station had the constitutional right to use the name of a rape victim despite a Georgia law to the contrary.

The case has important implications as to the 1st and 14th amendments.

Although the opinion itself does not say so, there in another important aspect about this case. Not being a lawyer, I dare not read too much into this decision. The Court was very careful in its majority opinion to state that the case was being decided on narrow and pragmatic grounds. One does not need to be a lawyer to know that the meaning of that kind of language is a warning to those uneducated in the law to go slow in interpreting the decision.

Yet, the headline on the story in the March 10 issue of Broadcasting magazine about the decision says something important to me. The headline read: "Supreme Court in WSB-TV case treats broadcast press as one."

The subhead goes on to explain that: "court makes no distinction between newspaper and radio-TV journalism."

Mr. President, I ask unanimous consent that the Broadcasting article together with an editorial from the same issue, be printed in the RECORD so that the nature of the court case can be understood.

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

SUPREME COURT IN WSB-TV CASE TREATS PRINT AND BROADCAST PRESS AS ONE

INVASION-OF-PRIVACY SUIT INVOLVING BROADCAST OF RAPE VICTIM'S NAME ENDS IN VICTORY FOR COX STATION; COURT MAKES NO DISTINCTION BETWEEN NEWSPAPER AND RADIO-TV JOURNALISM

The Cox Broadcasting Corp. has proved to be the instrument that extended somewhat farther the First Amendment protection that is afforded the press, specifically including the broadcast press.

It was on an appeal brought by Cox that the Supreme Court last week, in an 8-to-1 decision, held that the right of privacy must give way when the press publishes accurate information based on public court records.

At issue was the broadcast of a news account by Cox's WSB-TV Atlanta of a court proceeding involving the rape of a 17-year-old Atlanta girl who subsequently died. The reporter, Tom Wassell, used the name of the victim, which he had obtained from the indictments handed down in the case, and thus broke a state law barring the publication of rape victims' names.

The state did not attempt to prosecute Cox. But the victim's father filed a $1 million damage suit, claiming invasion of privacy and basing his suit on the state law. The trial court granted summary judgment to the father, but the state supreme court, while sending the case back for trial, upheld the constitutionality of the law.

Cox's defense has been that the broadcast was protected by the First and 14th Amendments (the 14th applies to the states the protections afforded citizens in dealing with the federal government). And the Supreme Court, in the opinion written by Justice Byron R. White, accepted that defense, although the scope of the opinion is limited.

The question to be resolved, Justice White wrote, is whether the state may impose sanctions on the accurate publication of the name of a rape victim obtained from judicial records maintained in connection with a judicial prosecution and open to public inspection. The answer, he said, is no.

The court specifically excluded from the reach of the opinion any reference to confidential official records, such as those of juvenile court proceedings. And it said that it was not dealing with Cox's argument that the First and 14th Amendments would protect a news organization from prosecution even if it obtained the information through investigation rather than from public records.

But Justice White made it clear the court was persuaded to go as far as it did because of its belief in the value of a vigorous press. An individual with limited time and resources to observe first-hand the operations of his government "relies necessarily upon the press to bring to him in convenient form the facts of those operations," Justice White wrote. "Great responsibility is accordingly placed upon the news media to report fully and accurately the proceedings of government, and official records and documents open to the public are the basic data of governmental operations."

Justice White noted that there is a considerable body of law and precedent running in support of the individual's right of privacy. But he also said that "even the prevailing law of invasion of privacy generally recognizes that the interests in privacy fade when the information involved already appears on the public record. The conclusion is compelling when viewed in terms of the First and 14th Amendments and in light of the public interest in a vigorous press."

The lone dissenter from the high court's opinion was William H. Rehnquist, and he objected on procedural grounds. He felt the court should not have considered the case until after a judgment had been rendered in the trial ordered by the Georgia supreme court. However, Justice White said that WSB-TV should not be required to undergo a trial under a law that was of doubtful constitutionality.

To Justice William O. Douglas, an absolutist on the First Amendment, the court's opinion does not go far enough. He said, as he did in his separate opinion in the case involving the broadcast of state-run lotteries (see page 21), the government lacks the power to ban the publication of "news of the day."

Justice Lewis F. Powell Jr. would have gone farther than the court did on the question of whether truth constitutes a defense in a defamation case brought by a private citizen rather than a public person. The court said that question was an open one. Justice Powell said he thought the court had already settled it in the affirmative in a previous case.

The only member of the court whose views on the case were not explained was Chief Justice Warren E. Burger. He said he "concurs in the judgment" but did not give his reasons.

To some broadcast industry representatives, the opinion was particularly encouraging in that it appeared to treat broadcasters and newspapers as interchangeable parts of the "press." "Anytime there is an opinion treating broadcasters the same as newspapers on the same basis with respect to the First Amendment, it gives encouragement to broadcast journalism," said one communications attorney.

Steve Riggs, WSB-TV's news director, welcomed the opinion as one that would give the press in Georgia the right to make news judgments on stories involving rape. But he said he does not feel the opinion gives the press "a license to be irresponsible."

He noted that law enforcement officials and women have expressed concern that fear of publicity would make rape victims more reluctant than some already are to report attacks to police. Not all rapes are newsworthy, he said. But when they are—as in the case of one that results in a murder charge—the news media should be free to decide to report them fully.

WHITE PAPERS

The U.S. Supreme Court's decision last week in the Georgia privacy case may be of far greater long-range significance to broadcasters than its establishment of a new balance between personal and journalistic rights. It unquestionably provided additional support to the broadcasters' claims to the freedom of the press that is guaranteed by the First Amendment.

As explained in detail elsewhere in this issue, the court declared unconstitutional a Georgia law prohibiting the identification of victims in news accounts of rapes. For broadcasters, the special importance is that the case involved a television news account on WSB-TV Atlanta and that the court throughout its majority opinion treated television as a component of the constitutionally protected practice of journalism. Indeed it repeatedly used the terms "press" to encompass the broadcasting media and "publication" to encompass the broadcasting act.

"Under these circumstances," said the majority opinion in its conclusion, "the protection of freedom of the press provided by the First and 14th Amendments bars the state of Georgia from making appellants' broadcast the basis of liability." The appellants were, of course, WSB-TV and its owner, Cox Broadcasting.

There is additional interest to be read into the authorship of this opinion. The same Justice Byron White who now views broadcasting synonymous with press wrote the majority opinion which held otherwise in the Red Lion case. In Red Lion Mr. Justice White, writing for a considerably different majority, held in effect that broadcasting, being licensed and limited in frequencies, was entitled to a lower order of protection than older and unlicensed forms of the press. On that reasoning, the court upheld the constitutionality of the FCC's fairness doctrine.

In WSB-TV Atlanta, broadcasters have regained at least some of the ground lost in Red Lion. They have Mr. Justice White to thank in both cases.

Mr. PROXMIRE. Mr. President, the Supreme Court's opinion in the Cox Broadcasting case was written by Mr. Justice White. Much of it is devoted to whether the Supreme Court had jurisdiction. In fact, Mr. Justice Rehnquist dissented on those grounds. Section III of the opinion, which deals with the main issue, is important for something it does not say, it seems to me.

The Court does equate broadcast and print journalism, but it does not do so explicitly.

Even though the case deals with a broadcast over WSB-TV in Atlanta, the Supreme Court speaks of "media" or "print" or "publication" or "broadcast." It makes little distinction between these terms.

DEFENSES OF FREE PRESS

There are several ringing defenses of a free press in the Cox Broadcasting opinion. Here are two of them:

In the first place, in a society in which each individual has but limited time and resources with which to observe at first hand the operations of his government, he relies necessarily upon the press to bring to him in convenient form the facts of those operations. Great responsibility is accordingly placed upon the news media to report fully and accurately the proceedings of government, and official records and documents open to the public are the basic data of governmental operations. Without the information provided by the press most of us and many of our representatives would be unable to vote intelligently or to register opinions on the administration of government generally. With respect to judicial proceedings in particular, the function of the press serves to guarantee the fairness of trials and to bring to bear the beneficial administration of justice.

* * * * *

We are reluctant to embark on a course that would make public records generally available to the media but forbid their publication if offensive to the sensibilities of the supposed reasonable man. Such a rule would make it very difficult for the press to inform their readers about the public business and yet stay within the law. The rule would invite timidity and self-censorship and very likely lead to the suppression of many items that would otherwise be put into print and that should be made available to the public. At the very least, the First and Fourteenth Amendments will not allow exposing the press to liability for truthfully publishing information released to the public in official court records. If there are privacy interests to be protected in judicial proceedings, the States must respond by means which avoid public documentation or other exposure of private information. Their political institutions must weigh the interests in privacy with the interests of the public to know and of the press to publish. Once true information is disclosed in public court documents open to public inspection, the press cannot be sanctioned for publishing it. In this instance as in others reliance must rest upon the judgment of those who decide what to publish or broadcast.

OPINION RAISES HOPES

Mr. PROXMIRE. Mr. President, this case essentially is limited to the problems of the interrelationship of privacy, the right of the press to publish or broadcast information in public documents, and the right of a State to determine what can or cannot be made public. But despite that limitation, an essential part of law, the opinion in this case raises the hopes of those of us who want to see Federal law changed to make clear that the first amendment of the Constitution applies equally to print and broadcast journalism.

The Supreme Court, conceivably, could arrive at that conclusion before the Congress does. But we should not count on that happening.

Mr. Justice Rehnquist said in his dissent:

The greatest difficulty with the test enunciated today is that it totally abandons the principle that constitutional issues are too important to be decided save when absolutely necessary, and are to be avoided if there are grounds for decision of lesser dimensions.

Even if he is correct, the Supreme Court will be chary of jumping into constitutional thickets.

The so-called fairness doctrine of the Federal Communications Commission, many including me agree, is unconstitutional. Yet, the Supreme Court held in the Red Lion Broadcasting Co. case of 1969 that the fairness doctrine enhances the first amendment. Supporters of the fairness doctrine always cite Red Lion as the landmark decision on governmental control of broadcasting, saying that the Court upheld the constitutionality of the fairness doctrine.

TIME COULD PROVIDE CASES

But it is important to point out that in Red Lion, the Supreme Court acknowledged that time could provide constitutional questions in connection with the fairness doctrine. And, it also acknowledged that Congress could change its mind.

Mr. Justice White also wrote the Court's opinion in the Red Lion case. Mr. Justice Douglas, the most outspoken defender of an unconditional first amendment, did not take part in Red Lion.

At one point in Red Lion, Mr. Justice White wrote:

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. The fairness doc-

trine in the past has had no such overall effect.

And at another point in the opinion, which actually covered two cases—Red Lion and the United States, et al. against Radio Television News Directors Association, et al.—appears thus:

"We need not approve every aspect of the fairnesss doctrine to decide these cases, and we will not now pass upon the constitutionality of these regulations by envisioning the most extreme applications conceivable . . . but will deal with those problems if and when they arise.

"We need not and do not now ratify every past and future decision by the FCC with regard to programing. There is no question here of the Commission's refusal to permit the broadcaster to carry a particular program or to publish his own views; of a discriminatory refusal to require the licensee to broadcast certain views which have been denied access to the airways; of government censorship of a particular program contrary to sec. 326; or of the official government view dominating public broadcasting. Such questions would raise more serious First Amendment issues. But we do hold that the Congress and the Commission do not violate the First Amendment when they require a radio or television station to give reply time to answer personal attacks and political editorials.

IGNORED BY SUPPORTERS

This part of Red Lion is not quoted by supporters of governmental control of broadcasting. Red Lion is tossed about by these people like a talisman to ward off, in what is perceived to be an evil, the protestations of those of us who believe that governmental control of broadcasting is an abridgment of the first amendment. Red Lion is used as a shibboleth to test the acceptability of the thinking of those who see guarantees of a free press as old-fashioned in this age of technology.

There is another quotation from Red Lion that should be brought to public attention. The Court argued:

It is strenuously argued, however, that if political editorials or personal attacks will trigger an obligation in broadcasters to afford the opportunity for expression to speakers who need not pay for time and whose views are unpalatable to the licensees, 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. 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.

DOCTRINE HAS CHILLING EFFECT

I have been arguing, in effect, since last July that the fairness doctrine does have a chilling effect upon broadcasters, that controversial issues are at times kept off the air. Now that is a difficult charge to prove. But broadcasters could—if they did not fear the FCC and the possible loss of their licenses, or fines or legal expenses in defending themselves against complaints—come forward with explicit documentation.

Yet, it may take a specific case to come before the Supreme Court to test that last-quoted language from Red Lion.

Before getting into that further, let me point again to the quotation cited earlier from the Cox Broadcasting case decided this month:

We are reluctant to embark on a course that would make public records generally available to the media but forbid their publication if offensive to the sensibilities of the supposed reasonable man. Such a rule would make it very difficult for the press to inform their readers about the public business and yet stay within the law. The rule would invite timidity and self-censorship and very likely lead to the suppression of many items that would otherwise be put into print and that should be made available to the public.

Mr. Justice White is consistent. He really, I believe, says the same thing in both Red Lion and in Cox. He fears "self-censorship."

Will a clear-cut case get to the Supreme Court before Congress acts to undo the abridgment of the first amendment wrought by the fairness doctrine and section 315 of the Communications Act?

I do not know.

I do know that the NBC Pensions case, still pending in the U.S. Court of Appeals for the District of Columbia, does not raise a question about the constitutionality of the fairness doctrine. It involves the administration of the fairness doctrine.

Mr. President, I believe the time has come for the Congress to act. It is time to do away with the fairness doctrine and other governmental controls on broadcasting; not because it will help broadcasters, but because it will create the climate for full and open coverage and discussion of controversial public issues for the benefit of the people of this country.

There is no room for self-censorship in these vital areas. We should eliminate that danger—the fairness doctrine—to robust and free exchange in the market place of ideas.

Mr. President, that is why I have introduced S. 2, the First Amendment Clarification Act of 1975.

PUBLIC NEED VERSUS EXCESSIVE TAX CUTS

Mr. McGOVERN. Mr. President, I cannot support the $29.2 billion tax expenditure proposal reported over the weekend by the Senate Committee on Finance.

The committee proposal is far better than the tax scheme originally offered by President Ford. But that is a small recommendation to say the least—like preferring the flu over an ulcer. Why must we confine ourselves to such a narrow choice?

Doubts have already been expressed about some questionable provisions of the bill, including the 5-percent housing credit and particular new corporate loopholes.

But I also oppose the economic principle of this legislation. It is the wrong answer for our economic distress.

There is some justice in using the tax system to help people make up at least a portion of the purchasing power that has been stolen away by inflation. I recognize, too, that the Finance Committee proposal is within the range of the amount of stimulus the economy needs. Rising prices and a sinking economy have strengthened the inclination all politicians have to stand foursquare for lower taxes.

But this plan to shovel out nearly $30 billion through the tax system amounts to an economic policy straitjacket for the Congress. It says, in effect, that all or nearly all of our economic planning is to stimulate purchasing power through tax expenditures. It closes the door on any realistic opportunity to stimulate the economy through direct public investment in urgent public needs.

Indeed, this bill is an open invitation to President Ford to veto any legislative initiative in the public sector, on the grounds that it would add to a deficit that is already too large.

We need direct investments in housing. We should expand our investments in new sources of energy. We need desperately to rebuild the Nation's decrepit rail system, and to strengthen mass transit, both to conserve energy and to abate pollution. We need investments in schools and in public safety. We must invest to expand our production of food.

Determined action in these areas will provide jobs. It will provide more jobs, in fact, than we can expect from wholesale tax cuts. And it will be jobs on projects the country really needs.

Those investments make far more sense than shelling out $2,000 to anyone who buys a home. They will stimulate private business in far better ways than adding more tax subsidy for any capital investment whether it is for useful or wasteful enterprise.

It should be obvious that the best choice for the economy is a mix of tax expenditures and direct investments, so we can not only restore some of the taxpayer's purchasing power but also stimulate selectively, focusing on high priority public needs. To combat both unemployment and inflation, we should invest in such job intensive areas as ending railroad abandonments and rebuilding tracks and rights-of-way.

I think, therefore, that we should reduce the tax expenditure proposal of the Finance Committee by approximately $10 billion. Otherwise we will foreclose opportunities in the public sector and offer the country weak tax policy, weak economics, and weak public priorities.

GEORGE F. WILL ON CAMBODIA

Mr. CRANSTON. Mr. President, George F. Will, in his nationally syndicated column recently spelled out with great clarity the issue facing us in Cambodia. And he put the issue of our Cambodian "commitment" in a remarkably incisive way.

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:

CAMBODIA: ARE WE COMMITTED?

(George F. Will)

When some British statesmen advocated inciting rebellions on the Continent against Napoleon, the Duke of Wellington counseled: "Help them if they rebel, by all means, but do not encourage them to rebel. It is too dreadful a responsibility."

People who oppose President Ford's request for $222 million additional aid for Cambodia argue that giving the aid would be dreadfully irresponsible because it would encourage the Cambodian government to go on fighting a hopeless war against the insurgents. President Ford argues that we already have gone so far in encouraging resistance that, like it or not, we have a responsibility for Cambodia, a responsibility that verges on a commitment.

Of the two arguments, Mr. Ford's is the less convincing.

The fact that no one among those who argue for the aid—not Mr. Ford, not Secretary of State Kissinger, not Secretary of Defense Schlesinger—can say with any appreciable confidence that the aid will succeed is beyond the point. They cannot even offer a plausible criterion of success.

Certainly $222 million will not save Cambodia in the sense of frustrating the insurgency for the foreseeable future, which in Indochina is a matter of months. Ten times $222 million would not do that.

Given that no reasonable person believes that the U.S. can be relied upon to save Cambodia, it is not clear what Mr. Ford means when he says, as he did in his prepared opening statement at a recent news conference, that "the reliability of the United States" is at issue in the dispute about aid for Cambodia:

"If we cease to help our friends in Indochina, we will have violated their trust that we would help them with arms, with food, and with supplies so long as they remain determined to fight for their own freedom. We will have been false to ourselves, to our word, and to our friends."

In the last 15 years, since the supposedly imprecise Dwight Eisenhower left the White House, there has been much dangerously loose presidential talk about our nation's international obligations. Now another President is playing fast and loose with slippery concepts.

Mr. Ford's language threatens to bewitch his intelligence and ours, rendering us unable to comply with Lord Curzon's first rule of prudence in foreign affairs: "Know your own mind, and make sure the other side knows it as well."

In his news conference Mr. Ford used the phrases "our friends" and "our allies" interchangeably in talking about the nations of Indochina. That way of talking is not designed to encourage precise thought about the nature of our commitment—if any—to Cambodia.

If we have a formal "commitment" to Cambodia, it was made in secret by Mr. Kissinger and kept secret from the American people, in which case the commitment is spurious.

The last thing we want is for the Secretary of State—any Secretary of State—to be credible to foreign governments if he secretly commits the United States to spend blood or treasure. Let the word go forth, to friend and foe alike, and to the Secretary, wherever he is today, that the United States does not acquire commitments that way.

In that prepared opening statement at the news conference, Mr. Ford declared that the U.S. would have violated a "trust" if we do not provide military and other aid "so long as they (our friends in Indochina) remain determined to fight for their own freedom. But later, in response to a question, he said that the pending aid request is designed to get Cambodia "through the dry season" which ends in midsummer.

Surely if we are already obligated to support Cambodia's resistance to the insurgency, the Indochina rains will not wash away either the obligation or the insurgency. And if we give aid now, after a national debate, we will be acknowledging just the kind of commitment that Mr. Ford says already exists.

Then we will have, much more than we already have, a "dreadful responsibility" for Cambodia, a responsibility that will be there, throbbing like a wound, when the monsoons pass and the dry season for fighting returns, as it always does.

WHAT PRICE RECREATION FOR GENERALS?

Mr. PROXMIRE. Mr. President, within the last 2 years, a number of recreational facilities operating under military command have been found catering to high-ranking general officers.

First came the Chateau Club at Elmendorf Air Force Base, Anchorage, Alaska. Then came the revelations about the hunting and fishing facilities at Matagorda Island, Tex. And finally there was public attention on the fish camps operated by the Air Force and Army in Alaska and Canada.

The surprising fact is that no one in the Pentagon seems to know how much such offbase recreation is costing the taxpayer every year. Nor do we know the real costs of the onbase hunting and fishing activities.

I have no objection to funding recreational activities for all servicemen out of nonappropriated accounts. As long as the facilities are open to servicemen of all ranks without prejudice, a worthwhile purpose is served. But when recreational facilities are provided for the exclusive use of high-ranking generals and admirals, then the system has gone awry.

Mr. President, I ask unanimous consent that a recent article on this subject by Bob Wyrick, published in Newsday, be printed in the RECORD.

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

[From Newsday, Mar. 13, 1975]

WHAT PRICE MILITARY RECREATION?

(By Bob Wyrick)

WASHINGTON.—Local commanders at U.S. military bases are permitted to spend millions of tax dollars each year on military recreation programs while nobody in the Pentagon or Congress looks over their shoulders to see how the money is spent.

About four years ago, the Pentagon—under pressure from Congress for an accurate accounting of the recreation monies—set up a special unit called the Defense Management Study Group, which was supposed to come up with directives within 18 months that would require local base commanders to make detailed reports on recreational spending. But, after four years, the management group has yet to complete its job.

In fact, the study group does not spend on military recreation. The group's director, Douglas Earich, says that he doesn't have the answer and adds, "I don't think anybody does. It would be a wild guess. I don't think it's billions—but millions certainly."

And just as certainly there have been abuses in the unsupervised spending of recreational funds. A prime recent example of such abuses occurred at two Air Force fishing camps near King Salmon, Alaska.

For 18 years, the Air Force operated the camps primarily as a place where generals and other officers could be flown—at Air Force expense—for a three-day holiday and shown how to catch some of the world's largest salmon in one of the most untouched and picturesque fishing holes in the Northern Hemisphere.

Enlisted airmen went there, too. But not many, even though military recreation funds are supposed to be applied evenhandedly—not just for officers. The situation was even more unfair to enlisted men who were assigned to the fishing camps. They could be ordered to wake up at 2 a.m. to operate boats for the brass and guide them to the prime fishing spots. And long after the officers went to sleep, the airmen continued to work—sometimes 16 hours a day—cleaning boats and icing and packing fish for shipment by military planes all over the U.S.

Two years ago, however, the case of the King Salmon camps came to the attention of Sen. William Proxmire (D-Wis.) and he asked for an investigation by the General Accounting Office. Now that the results of the investigation are about ready to go to print, Air Force officials say that they do not intend to reopen the camps, which they concede operated last year at the excessive cost of about $400 a day per person.

Col. John Steen, an Air Force spokesman in Alaska, said, "Nobody told us to close them. It was our decision. It just came down to a pure cost decision." It cost taxpayers more than $300,000 to operate the camps for 45 days last year and only 804 persons used them.

Although the Air Force denies that the GAO investigation had anything to do with closing the camps, the decision on King Salmon followed the pattern of military reaction to adverse publicity about other camps.

For example, in 1971, the GAO confirmed charges that 24 military men were improperly assigned full-time to serve "distinguished and high-ranking visitors" at the plush Alaskan Chateau and Health Club at Elmendorf Air Base, Anchorage. The following year, the Air Force cut back its manpower at the club to six persons. In a similar situation last year at Matagorda Island, Tex., the Air Force reluctantly abandoned its use of the island, ostensibly as a practice bombing range—only after an Interior Department official reported that a primary use of the island was for the hunting and fishing pleasure of military brass.

There have been many other abuses reported over the years, but still nobody in the Pentagon, from Defense Secretary Schlesinger and the Joint Chiefs of Staff on down, knows how many other Matagordas, Alaska Chateaus or King Salmon camps exist. In fact, after six weeks of investigation by the Pentagon, officials said they were unable to say even how many hunting lodges, rod-and-reel clubs and other such facilities are operating at the more than 200 U.S. military installations where hunting or fishing is permitted. Nor how much they cost to operate.

Pentagon officials "estimate" that the military spent $2,033,146 last year on its hunting and fishing programs alone ($1,427,337 in appropriated tax money and the remainder from fees charged by the military). But hunting and fishing is only a small part of the total, multimillion-dollar military recreation program, which includes camping sites, tennis courts, golf courses and a host of other facilities.

The Pentagon is not the only government body that doesn't know where the money goes for military recreation. No congressional committee has the details either, even though the GAO as far back as 1971 warned the House Appropriations Committee that "congressional appropriations for organizations supporting recreational activities are poorly controlled by DOD [Department of Defense] because the military departments do not maintain accounting systems that identify the amount of such support." The GAO report continued, "In addition, the military command statements of appropriated funds do not sufficiently disclose the use of these resources."

The Air Force had a similar warning on

the fish camps at King Salmon as far back as 1963, when an Air Force auditor from Seattle reported that the costs for the King Salmon camps were higher than similar military fishing camps nearby and stated in the report; "We found that . . . neither the appropriated fund accounting records nor the unappropriated fund accounting records gave a complete and accurate picture of the cost of operating [the camps]."

But nothing changed much for a long time after that report. Ralph Ash of Anchorage, who was chief of recreation services for the camps from 1962 to 1972, said that the camps were operated almost entirely for officers during his 10 years there. "They flew in from all over, some higher-ranking generals had their own planes assigned to them. The average enlisted guy never got there."

An annual report, obtained through unofficial channels, shows that 1,464 generals and other officers used the King Salmon camps during 1970, while only 39 airmen used it. But all that changed dramatically two years ago after Proxmire focused congressional attention on the camps. The Air Force said records for 1973 have been destroyed but that in 1974, a lottery was held among all servicemen stationed near the fish camps and that 355 officers and 458 enlisted men got to use them.

Although the Pentagon could not provide accurate details on camp operations in the U.S., officials did volunteer that many other military hunting facilities are operated on a lottery basis and that many also permit civilians to hunt or fish on a limited basis. However, out of the total of 200 such military installations, 113 are restricted to military personnel and their guests. And under present rules, commanders of those bases are not required to tell the Pentagon or the Congress who the guests are or how much money is being spent on their recreation.

New reporting rules that would provide such information will be formulated by the time the Defense Department's management study group finishes its assignment. Group director Earich now estimates that the study will be completed by June. "We will then have a hold of the total resources that are going into these programs," he said. "This has been sort of a gray area that nobody has paid any attention to until recent years."

RAIL SERVICE IN THE NORTHEAST

Mr. RIBICOFF. Mr. President, the creation and maintenance of a good northeast rail system is a matter of utmost seriousness and importance for Connecticut, the region, and the Nation.

Reorganization of the Penn Central and other bankrupt railroads is a difficult and complex task; but decisions by Congress and the U.S. Railway Association relating to this matter will influence the quality of life in the Northeast for many years to come.

If ConRail is not able to achieve financial soundness, the very economic health and stability of the Nation will be at stake.

Realizing the seriousness of this undertaking, I hope that the preliminary system plan will be a vehicle for intelligent discussion and debate, and receive a thorough and comprehensive evaluation at these hearings.

As indicated above, I do not question the legitimacy or reasonableness of using profitability as a criterion in determining which branch lines should be included in the Conrail system. I do, however, question the methods by which profitability was determined, and the application of these methods to particular branch lines.

Furthermore, both sound public policy and the mandate of Congress in the Regional Rail Reorganization Act of 1973 make it clear that economic viability must be balanced against adverse economic, social, and environmental consequences to the communities where abandonment of rail lines is being considered. The preliminary plan does not adequately address these considerations.

It is highly inconsistent to apply the profitability criterion to branch lines while exempting main lines, terminals, yards, and central management from such analysis.

Railroads do not generally keep branch line accounts. Therefore, to allocate systemwide costs to branch lines seems to me to be a highly irregular method of determining a branch line's profitability.

The past and present failure to maintain these lines has, in effect, meant that the branch lines are in many instances subsidizing expensive maintenance on main lines.

Exclusive reliance on data provided by the Penn Central, may have also caused the preliminary plan to underestimate the traffic on the branch lines.

My own examination indicates that underestimation of traffic and/or unsupportable allocation of maintenance costs may have occurred on the portions of the Wethersfield, Plainfield, Griffins, Longmeadow, Norwich, New Milford, Terryville, and Danbury branch lines.

Further data accumulated at these hearings may show that the above has also occurred on other branch lines in Connecticut. If economic viability is to be a primary criteria, it must be based on more accurate information and on sounder and more equitable methods which are applied to the entire system.

Some consolidation of unprofitable lies is necessary for a sound ConRail system. Nevertheless, the preliminary plan for Connecticut calls for the bulk of freight coming in from the South and West to be hauled all the way up to the Selkirk switching yard near Albany for makeup into trains bound for New England; the freight would then have to be hauled across Massachusetts to Springfield before coming south into Connecticut on the Springfield-New Haven line.

The overall effect of the preliminary plan is to make Connecticut rely almost solely on the already overused Springfield line for nearly all freight movement into and out of the State.

I would suggest allowing the Mayberry gateway to have primary rather than secondary status. Freight could then also move over the Poughkeepsie River bridge across the Hudson, and enter Connecticut through the Danbury area.

Past experiences with Selkirk yard, especially during winter months, make it highly unrealistic that this yard can handle concentrated traffic loads under a reorganized system.

Another major problem with the preliminary system plan is that it seems to largely ignore the real need to coordinate freight and passenger transportation, and makes the State's job of developing its own comprehensive system of mass transit much more difficult.

The Springfield-New Haven link is a vital connector for passenger services from Hartford south to New Haven and New York, and north and east to Springfield, Worcester, and Boston. A recent study indicated that there are potentially 1.5 million more riders on an inland route from New York to Boston than on the shoreline route.

Amtrak has contended that the inland route between Boston and New York is not viable because the Springfield-New Haven line is already so heavily loaded with freight traffic that it cannot handle any major increases in passenger service. Yet the preliminary system plan calls for this same line to be virtually the sole entry point for freight coming into Connecticut. In effect, the plan fills up this line with freight, does not upgrade its maintenance, blocks additional passenger traffic north and south, and creates inconvenient connections in Springfield with Amtrak's pending Boston-to-Chicago run, and with Metroliner and other shoreline routes.

The above is another situation of narrow profitability criteria preventing coordination of effective freight and passenger service. I suggest the possibility of an inland route running from Bridgeport through Waterbury, Bristol, and Hartford and then north.

In summation, I reiterate neither overall endorsement nor condemnation of the preliminary plan. It is my hope that in the coming months, the U.S. Railway Association will address itself to the legitimate issues raised at these hearings. A sound reorganization may be possible by modifying and perfecting the preliminary plan. But I would also urge the Association to give careful consideration to alternative plans such as the ones proposed by Gov. Milton Shapp of Pennsylvania, and by Senators HARTKE and WEICKER.

In any case, a viable Northeast rail system will involve a massive commitment of Federal resources. This commitment must be made on a financially sound basis, but it must also take account of the long-term economic, social, and environmental implications for the people of Connecticut, the Northeast, and the Nation.

We can no longer afford to postpone these important decisions. I urge interested members of the public to fully participate in this reorganization process.

CONTRIBUTIONS OF IRISH AMERICANS

Mr. WILLIAMS. Mr. President, there is no more appropriate an occasion than St. Patrick's Day to recall the outstanding contributions that Americans of Irish descent have made toward the goal of a better America for us all.

Between 1845 and 1850, 800,000 Irish entered the United States for the first time to be followed by another million by 1860. This great influx of people formed the first wave of an immigration

flood that became, and still is, a salient and unique feature of this Nation's experience. A disastrous series of potato crop failures beginning in 1845, caused a famine throughout Ireland, killing thousands and forcing thousands more to flee for survival. People who had rarely ventured more than a few miles from their little farming villages packed their belongings and made the difficult voyage to America in search of the freedom from want that their homeland could not then provide. Many made their way under contract labor system in which they paid for their passage with their only things of value—their physical strength and their desire for a secure new life in America.

The victims of the famine were certainly not the first Irish in America. Thousands had come here since the earliest colonial times. Many had joined with British Catholics to found the State of Maryland. St. Patrick's Day was celebrated in Boston as early as 1732 and in New York after 1744. Over 4,000 enlisted men in Washington's Army had Irish surnames. The Carroll family of Maryland produced the first signer of the Declaration of Independence.

However, the immigration of Irish in the mid-1800's was of unprecedented proportions and of a different nature. While many of the earlier Irish refugees were educated people who had fled for political reasons, the newcomers were usually unskilled, poverty-stricken, and semi-literate. As they crowded into our large urban centers they found that America was not yet ready to accept them on an equal basis with Americans who had arrived earlier. The Irish became very easy targets for those who sought to further their own political fortunes by arousing the prejudices of others against them. Forced into menial jobs and miserable tenements, the Irish became victims of hate campaigns built around their religion and their foreign origin.

The critical needs of the United States, however, helped the Irish achieve their rightful place in society. The America of the 1850's and 1860's was young and vibrant, and was just beginning to flex its industrial muscle. The railroads stretching out to the West, the textile mills of the North, and the great foundries and factories filling the war needs of the Union demanded a steady supply of labor, and the Irish had come at the right time to provide it. The Civil War called forth men to fill the ranks of both the Union and Confederate armies. Most of the Irish joined the Union cause, and whole regiments of newly arrived Irishmen immediately joined the fight for their new contry. By the latter quarter of the 19th century, the Irish were significantly adding the strength of their cultural heritage to the life of their new homeland, and were making contributions that increasingly enriched American development. Today we can point to any area of endeavor and find Americans of Irish descent who have achieved recognition.

A large proportion of the Irish people entered the field of entertainment. Their work did much to dispel the fears and change the attitudes of many Americans toward Irish immigrants. Irish songs that are still popular today swept the country during the late 1800's. Such actors and entertainers as Edwin Booth, John Drew, the Barrymores, George M. Cohan, Victor Herbert, Pat O'Brien, Spencer Tracy, Helen Hayes, Gene Kelly and Grace Kelly have provided Americans with some of their best loved moments.

Art and literature in the United States has been greatly enhanced by Irish-Americans. Irish-born August Saint-Gaudens became one of our great sculptors, while Georgia O'Keefe was a leading woman painter. James Farrell, F. Scott Fitzgerald, and Joyce Kilmer contributed much to the world of literature.

In sports, Irish-Americans have produced such boxing champions as John L. Sullivan, Jack Dempsey, Mickey Walker, and Gene Tunney; baseball heroes such as Mickey Cochran, Jim O'Rourke, and Big Ed Delahanty, and other sports figures such as golf great Ben Hogan, and tennis star, Jimmy Connors.

Labor unions drew powerful strength from Irish-Americans. Terence Powderly built the Knights of Labor into the world's largest union of the 1800's. P. J. McGuire, of the Carpenters Union, helped organize the American Federation of Labor, and was the first to propose Labor Day to Congress. Today George Meany, of Irish descent, heads the AFL-CIO.

Irish inventors have improved our everyday lives. Michael Cudahy devised the process of curing meats by refrigeration. Humphrey Sullivan invented the rubber heel, and John F. O'Rourke invented the caisson airlock essential to the construction of river tunnels. In medicine, John Murphy performed the first appendectomy and Joseph O'Dwyer invented the intubation technique, which saved thousands from the dread disease of diphtheria.

Irish-Americans were drawn very early into the arena of politics at all levels, but it was not until Al Smith, former Governor of New York, was selected as the Democratic nominee for President in 1928 that the last barrier to full Irish participation in American life seemed ready to fall. The election of John F. Kennedy in 1960 sent the barrier crashing.

America's 20 million citizens of Irish descent have been an essential part of America's growth. They still maintain strong ties with Ireland and we are fortunate to have their great talents here in America.

NURSING HOME REFORM

Mr. MOSS. Mr. President, my Subcommittee on Long-Term Care has been studying nursing home problems for more than a decade. Early hearings in 1963, 1964, and 1965 influenced the medicare and medicaid legislation and led to the enactment in 1967 of a wide series of Federal uniform minimum standards. Starting in 1969 the subcommittee began its current series of hearings entitled "Trends in Long-Term Care." To date, 25 hearings have been held in this series and more than 3,000 pages of testimony have been taken.

We are now releasing a 12-volume series of reports: "Nursing Home Care in the United States: Failure in Public Policy." Earlier this month, we issued our third supporting paper, "Doctors in Nursing Homes: The Shunned Responsibility."

The reaction to these reports in the press and from the public has been heartwarming. In particular, I appreciate the support from organizations such as the National Council of Senior Citizens which have pledged their assistance in helping to bring about the enactment of nursing home reform bills I introduced on March 12. The February 20 edition of the New York Times carried an article by Martin Tolchin which gives the broad outlines of our legislative strategy and I ask unanimous consent that it be printed in the RECORD. I also ask unanimous consent to have printed in the RECORD an article in Modern Healthcare by Jerome F. Brazda entitled, "Senator Moss' Prescription: Once a Month Until Reform," an article in the February 1975 edition of Medical World News entitled "U.S. Nursing Homes—A Mess Says Moss" and an article entitled "Nursing Homes: A Story of Neglect" by Bernard Nash, executive director of the American Association of Retired Persons which appeared in the February–March issue of Modern Maturity.

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

SENATORS DRAFT LAWS TO END NURSING HOME ABUSES

(By Martin Tolchin)

WASHINGTON, February 19.—An 11-point legislative program to end nursing-home abuses is being drafted by a Senate panel whose chairman predicted today that most reforms would be enacted.

The nursing-home legislation would set Federal standards for fiscal accountability, health and medical care, physical facilities and civil and criminal law enforcement.

"Practically all of these will be enacted," Senator Frank E. Moss, Democrat of Utah and chairman of the Senate Committee on Aging's subcommittee on long-term care, said in an interview after the committee's hearing. "In that sense, Dr. Bergman has helped us by focusing the eyes of the public on the plight of the nursing homes."

SIGNED AUDIT URGED

Mr. Moss said that he was encouraged that his Senate colleagues sensed a climate for change, and now gave a high priority to the need for nursing-home legislation. Five of the eleven proposals were introduced last year, Mr. Moss noted, but died in committee because "we couldn't muster enough push."

By way of contrast, he said, 20 of the 22 members of the Special Committee on Aging met last week to consider a contempt citation against Mr. Bernard Bergman, the central figure in the nursing home investigation. "That's the highest attendance of committee members I've ever seen," Mr. Moss said. Nine Senators attended today's hearing.

The first of the legislative proposals would require a certified public accountant to submit a signed audit of the fiscal operations of every nursing home that received Federal Medicine or Medicaid funds. This proposal, urged last year, is "an absolute necessity," Mr. Moss said.

The second proposal, which is new, would provide special penalties for fraud by nursing homes. Although defrauding the government is already grounds for both criminal and civil action, Mr. Moss believes that legislation that singled out nursing homes would strengthen the government's efforts to supervise the industry.

The third proposal, also new, would require total disclosure of ownership in nursing homes. This would include all individuals who have an interest in a nursing home.

"That's one thing that Mr. Bergman has been dodging," Mr. Moss charged.

The fourth proposal, also new, would provide rigid controls over patients' accounts; it is based on evidence of widespread misappropriations of patients' personal accounts by some nursing-home operators.

The fifth proposal, offered last year, would provide funds for nursing schools to train nursing home employes and to assume responsibility for the quality of care in the nursing homes. This may be broadened this year to contracts with medical schools to enable them to assume responsibility for nursing homes. This arrangement would be similar to the affiliation contracts between medical schools and some of the municipal hospitals in New York City.

GERIATRIC AID ASKED

The sixth proposal, also offered last year, would provide training for geriatric physicians and would provide funds to establish geriatric departments in medical schools, provide continuing education for physicians and to train nurse-practitioners.

The seventh item, which is new, would provide fines and penalties for substandard nursing homes, rather than the existing penalty of forcing them to close. Because the existing penalty is so drastic, it has never been used.

"We need intermediate penalties," Senator Moss said. "We need alternatives to putting nursing-home patients out on the streets."

VENDING CURB CITED

The eighth proposal, would require every state to submit a plan to regulate nursing homes. The ninth which is new: would provide for Federal enforcement of nursing-home standards, and not leave this enforcement to the states.

The tenth proposal, also new, would create a Federal reimbursement formal, instead of leaving it to the state, and would link reimbursement to costs and services as an incentive.

Under the last proposal, also new, nursing-home suppliers would not be allowed to sell their wares to homes in which they have an interest.

In addition, it was learned that the Senate Finance Committee is weighing legislation that would provide for an assistant United States attorney in each district to deal exclusively with violations in the field of health care.

The committee is believed to feel that enforcement legislation should receive top priority and that expertise is required.

Senator Moss agreed that "enforcement is a large part of the problem." But he added that "we also need a careful reexamination of standards, reimbursement formulas, personnel, fiscal accountability and a wide range of problems."

SENATOR MOSS' PRESCRIPTION: ONE A MONTH UNTIL REFORM

(By Jerome F. Brazda)

A gadfly of federal nursing home policy for many years has stated in no uncertain terms that he is less than enchanted with HEW's effort to upgrade nursing home standards. The critic, of course, is Sen. Frank Moss (D., Utah), chairman of the Senate Committee on Aging's subcommittee on long-term care.

Sen. Moss has begun releasing, at the rate of one volume a month, a series of reports generally titled *Nursing Home Care in the United States: Failure in Public Policy*. The reports were put together by the subcommittee staff headed by Val Halamandaris, a long-time aide of Sen. Moss and a man with an almost passionate interest in exposing what he believes are abuses of the aged consumer by substandard nursing homes. Like Sen. Moss, Mr. Halamandaris is anxious to avoid being cast as a critic who tars all nursing homes with the same brush. Both men are quick to point out good examples. But their report states flatly their view that the good guys "are in the minority."

There are, in the opinion of Sen. Moss and his subcommittee, too many poor performers and they feel that it's up to Congress to keep pressing with investigations and hearings and up to HEW to enforce standards mandated by Congress. It is particularly galling to Sen. Moss to find that HEW inadequately follows through with what he regards as orders from Congress.

The first volume of the subcommittee report, in the making since hearings began in 1969, charges that HEW has been reluctant to issue "forthright standards" for nursing homes. Public witnesses at hearings conducted by the Moss panel concluded that new Medicare and Medicaid standards "are so vague as to defy enforcement." Furthermore, the report states, "Enforcement is left almost entirely to the states. A few do a good job, but most do not.

"In fact, the enforcement system has been characterized as scandalous, ineffective and, in some cases, almost nonexistent," the Moss report charges.

HEW, which has borne the brunt of the so-called nursing home initiatives begun by former President Nixon and continued by President Ford, was quick to take exception to the tough-worded report. Especially wounded by the indictment was Frank Carlucci, recently named ambassador to Portugal and undersecretary of HEW for the past two years. In a letter to Sen. Charles Percy (R., Ill.), ranking minority member of the subcommittee who has worked closely with Sen. Moss, Mr. Carlucci complained that the report glossed over the positive steps taken by HEW to improve nursing home standards and compliance.

But the Moss report doesn't agree, stating that the Nixon-Ford administration program for upgrading of standards "has had only minimal effect" since first announced in 1971 and is a "national farce." Actions taken in 1974 "fall far short of a serious effort to regulate the industry," the subcommittee report states.

Divided into 12 parts, the series of reports by the subcommittee isn't all critical. Included in the dozen volumes are suggestions for positive actions that the subcommittee and its staff believe can alleviate the perennial problem of poor nursing homes damaging the public image of good ones and the need for more responsive public financing mechanisms.

Medicare and Medicaid are "inadequate and ineffective programs," the subcommittee believes, and should be replaced by a national health insurance program that includes comprehensive long-term care benefits. If the 94th Congress gets around to serious consideration of a national health insurance program—and this is far from certain—the Moss subcommittee plus the new House committee on aging will be feeding energy into the legislative machine in an effort to persuade senators and representatives that NHI must include long-term care if it is to be considered comprehensive.

During the late, unlamented wage-price stabilization program, American Nursing Home Association representatives and other leaders in the long-term care field argued that nursing homes represented such a small percentage of the nation's healthcare expenditures that they should not be included under controls. Some new figures from the Social Security Administration's Office of Research and Statistics are going to make this argument less persuasive, should the specter of controls be raised again.

According to a survey due to be published in February in the *Social Security Bulletin*, expenditures for nursing home care reached an estimated $7.5 billion during fiscal 1974, the year that ended last June 30. The figure for the previous fiscal year was $6.7 billion.

Although the new total still is a relatively minor part of the estimated $104.2 billion that was spent on healthcare in the United States during fiscal 1974, it is substantial enough that experts feel it cannot be ignored. Also noteworthy is the fact that $3.9 billion of the expenditures came from public funds—including $2.2 billion from the federal treasury and $1.7 billion from state and local coffers. Private contributions to the total came to $3.5 billion.

Previously, nursing home expenditures reflected in the annual Social Security statistical summary included only money spent on care in skilled nursing facilities (SNFs). The new data also include care provided in intermediate care facilities (ICFs).

The total spent on healthcare during fiscal 1974 amounted to $485 per capita. The increase over the previous fiscal year was 10.6 per cent, a slightly higher percentage than was registered the year before when economic controls were in effect. The $104.2 billion total was 7.7 per cent of the Gross National Product. Hospital care was the largest expenditure category during fiscal 1974, accounting for 39 per cent of the total. This is a figure that tends to support the prevailing, and growing, sentiment in HEW and on Capitol Hill that the search should continue for less-expensive alternatives to hospital care, including extended and ambulatory care facilities.

After more than two years of foot-dragging, haggling, discussion, consultation and controversy, HEW finally has issued regulations for implementation of utilization review (UR) under Medicare and Medicaid. Mandated by the 1972 Social Security Amendments, the UR regulations are designed to provide an orderly transition to the professional standards review organizations program.

Although the regulations deal chiefly with hospital UR, they also cover review in SNFs and ICFs. But here the other shoe has yet to drop. While the regulations cover review of a continued stay in a long-term care facility, the matter of certification for admission to SNFs and ICFs is left for a new set of proposed regulations which HEW expects to promulgate this month. The proposed regulations will involve use of hospital discharge planning in long-term care certification.

Included in the regulations already published are provisions involving periodic extended stay review and medical care evaluation studies. At least one of the latter must be in progress at all times. Extended stay review, in the case of SNFs and inpatient mental hospitals, must be conducted either by specific periods for diagnostic categories or categories based on functional capabilities, but at least every 90 days, or every 30 days for the first 90 days and at least 90 days thereafter.

The entire UR package becomes effective Feb. 1, 1975. Controversial since the day the first paragraph of the draft PSRO amendment authored by Sen. Wallace F. Bennett (R., Utah) was set to paper, the PSRO and UR regulations continue to stir emotions in Congress, HEW and healthcare organizations. But they're here to stay and long-term care facilities will be affected. Thus it is incumbent upon administrators to pay close attention and learn to live with them.

U.S. NURSING HOMES—A MESS, SAYS MOSS; SENATOR SAYS LACK OF DOCTOR INVOLVEMENT IS ONE OF THE KEY REASONS FOR POOR CONDITIONS

"Doctors have so far avoided getting involved in the nursing home scandal," said Peter H. Franklin, special assistant to HEW Secretary Caspar W. Weinberger. "It's such a can of worms I can understand their reluctance. But I wonder whether we haven't ended up in such a mess precisely because doctors have failed to get involved. They need to pay more attention to conditions in homes where they send patients."

Franklin speaks with authority; he has visited 35 nursing homes around the country and been briefed on the conditions in hundreds. The vast majority are "good," he told MWN. Many are less than good, he added. "And about 5% are absolutely deplorable."

But the Senate Special Committee on Aging's subcommittee on long-term care puts the number of bad homes much higher. In its report, *Nursing Home Care in the United States: Failure in Public Policy*, issued in November, it charged, "Over 50% of U.S. nursing homes are substandard."

It cites abuses ranging from outright crimes ("the smothering to death of a patient who obviously was in a coma and taking too long to die") to poor food quality and unsanitary conditions. And it put at least part of the blame on doctors:

"Physicians have, to a large degree, shunned responsibility for personal attention to nursing home patients," it declares. The report goes on to cite "inadequate training at schools of medicine" and "the negative attitude toward care of the chronically ill in this nation" as major reasons.

The subcommittee's chairman, Sen. Frank E. Moss (D-Utah), told MWN: "Physicians have failed to take full part in the care of the aged. It's never been an exciting part of medicine, and it's been neglected." He thinks Congress should make medical schools add gerontology departments. "Only two now have them," he pointed out.

He also feels all nursing homes receiving federal funds should have medical directors charged with making sure physicians' orders are carried out and that the homes are run in a professional medical manner. HEW regulations require only skilled-nursing homes—only about 9,000 of the nation's 23,000 long-term-care facilities—to have medical directors, and even these institutions aren't legally bound to have them till next January. The federal government supports about 16,000 long-term-care facilities.

In a supporting paper released last month, the subcommittee cited the consolidated findings of two studies covering 75 nursing homes in two Eastern cities. It showed that 37% of patients taking cardiovascular drugs (digitalis or diuretics or both) had not had their blood pressure taken in over a year. For 25% there wasn't even a diagnosis of heart disease on the chart. Patent on phenothiazines fared equally poorly—35% had not had their blood pressures recorded in more than a year. Some were taking two or three such drugs concurrently.

A third of the patients being treated for diabetes mellitus had no diagnosis of diabetes on their charts; over 10% of those taking insulin or oral hypoglycemic agents were not on diabetic diets; and a large number of these had not had a fasting bloodsugar test in more than a year.

Federal regulations require attending physicians to visit patients in skilled-nursing homes at least every 30 days, and patients in intermediate-care facilities at least every 90 days. Yet the studies showed that 40% of the patients in the homes surveyed had not been seen by a doctor for more than three months.

Since the original report appeared, the subcommittee has been both praised and attacked. The national press has, by and large, accepted its statements at face value, quoting some shocking material. But HEW's Franklin, for all his sympathy with patients in the worst homes, describes the Moss report as "inaccurate, outmoded, sensationalized in spots, and downright vicious in others."

The chairman of the American Medical Association's committee on aging, Dr. Frederick C. Swartz, said he'd like to see the research the report's conclusions were based on. He certainly does not agree that most homes are substandard, he said. Nor does he buy its suggestion that medical schools create gerontology departments. "There are probably only 25 faculty members in the U. S. who call themselves gerontologists," he said, "and that's all the subject deserves." The problems of the aged, he explained, are the same for the young. "If you get a heart attack today, you didn't get sick today—you've had the basic problem 20 years."

Added Dr. Swartz, who is medical director of the Burcham Hills Nursing Home in Lansing, Mich., "I've been in nursing homes all over the country and you can't tell me they could hide the things they say were going on." There were problems, he conceded, but nothing of the sort described by the Moss subcommittee, "not even in New York City."

Still, no one can describe the situation there as anything but disastrous. HEW's Franklin charges that the worst homes are almost exclusively in New York. And last month HEW announced it was cutting off Medicaid funds to nine of the city's long-term-care facilities. Threatened with the same action were another 54 institutions that have failed to meet its standards—most in the city, though several are in New Jersey and Puerto Rico.

This month the Moss subcommittee is preparing another supporting paper that will zero in on the role of physicians. A staff memorandum describing the paper says it outlines why doctors have not been attracted to the field. Some of its points:

"Medicare and Medicaid, with their restrictive rules and red tape, constitute a significant disincentive for physicians to care for nursing home patients. Payment is small and uncertain. Rules of compensability have been changed dramatically in the past. They have even been given retroactive effect. Procedures instituted to stop the cheating few have further alienated the many who might consider providing part of their time to nursing home patients."

Other reasons cited are lack of trained personnel to help physicians, the nursing home's often unpleasant atmosphere ("Doctors, too, get depressed"), and the remoteness of many independent nursing homes from doctors' usual rounds.

NEW YORK NURSING HOMES CALLED WORST IN NATION

Bernard Bergman seems an unlikely target for what he charges is the most vicious campaign of public vilification "since the days of Sen. Joseph McCarthy." A retired rabbi and one of the two heads of the Mizrachi Religious Zionist movement, he has an impressive list of credentials. Yet he is now at the center of New York's bizarre nursing home scandal.

The dossier of charges compiled by his critics includes fraud, deceit, influence peddling, and connections with organized crime. New York State Assemblyman Andrew Stein drew a particularly chilling picture of Bergman's operations during the Moss subcommittee hearings in New York last month.

One of Bergman's most relentless antagonists, Assemblyman Stein heads the New York legislature's Temporary State Commission on Living Costs and the Economy, which is also investigating nursing homes. He charges that through intricate financial intrigues—some engineered with Mafia help—Bergman has gained control of a nationwide network of perhaps 100 nursing homes rather than, as Bergman claims, just two.

The assemblyman also says that conditions in Bergman's nursing homes approach the snakepit level and that Bergman has used political connections to quash investigations. Bergman denies these allegations, but a federal grand jury is now looking into his operations.

Whatever the outcome of this investigation—and Bergman's testimony during his next appearance before the Moss subcommittee—fraud, neglect, lack of medical care, and unsanitary conditions seem the norm in a shockingly large number of New York nursing home.

The state's Medicaid law seems to encourage such abuses. The law, says Senator Moss, "is enough to make defense contractors drool. The message your legislators have given operators," he declared at the hearings, "is spend, spend, spend, for whatever you spend will be reimbursed with a profit."

Many states reimburse homes at a flat rate. The state determines the cost of each service beforehand and then pays the operator on the basis of its fee schedules. But in New York owners are reimbursed for whatever their costs are. Theoretically, state auditors are supposed to check the propriety of these charges. Yet one recent study found the cost of such services as laundry and cleaning varied as much as 400%

NURSING HOMES: A STORY OF NEGLECT

(By Bernard E. Nash)

"Many of these substandard nursing homes are little more than warehouses for the unwanted, dumping grounds for the dying."

Richard M. Nixon, AARP-NRTA Area V Conference, Chicago, June 25, 1971:

More than three years have passed since former President Nixon, in his speech to our Associations, promised a vigorous program of reform of the nation's nursing homes.

Yet a recent report of a Senate committee indicates that his program and the efforts of his predecessors have had only minimal effect and "fall far short of a serious effort to regulate the industry."

The report was prepared by the Senate Special Committee on Aging's subcommittee on long-term care and was based on a 15-year study of conditions in the nation's nursing homes. It is aptly titled: "Nursing Home Care in the United States: Failure in Public Policy."

It is a story of neglect: neglect in the treatment of patients by too many nursing home operators and personnel, and neglect in the enforcement of basic minimum standards for nursing homes by state officials and the Department of Health, Education and Welfare. "Millions of older Americans who have already received care in nursing homes have not received maximum help," the report charges. "In many cases, they have not even received humane treatment.

"And, in an alarming number of known cases, they have actually encountered abuse and physical danger, including unsanitary conditions, fire hazards, poor or unwholesome food, infections, adverse drug reactions, overtranquilization and frequent medication errors.

"The net impact is that far too many patients have needlessly sustained injury and, in some cases, death."

For years, the news media have carried accounts of wretched conditions in certain nursing homes. The accounts have been dismissed by nursing home proprietors and their lobbyists as "horror stories" that are not at all typical of actual conditions in most nursing homes.

The Senate panel's report does not agree. It recognizes that many nursing homes provide quality nursing care, occupational and

recreational therapy, and good medical services. But the report concludes, as did a previous Senate report in 1960, that *"such homes are in a minority."*

An overriding reason why these intolerable conditions have not been improved in the past 15 years is the fact that those governmental agencies with the responsibility for upgrading the nation's nursing homes have, quite simply, failed to do the job.

The Senate report severely criticizes a majority of state governments and the Department of HEW for "watering down" and not enforcing even minimum nursing home standards. "Despite the sizable commitment in Federal funds," the study charges, "HEW has been reluctant to issue forthright standards to provide patients with minimum protection.

"Enforcement is left almost entirely to the states," the report said. "A few do a good job, but most do not. The enforcement system in many states can be characterized as scandalous, ineffective and, in some cases, almost nonexistent."

Our Associations for years have urged comprehensive action by HEW and the states to upgrade nursing home conditions. We have called for stringent standards for nursing home care and have advocated the establishment of home health services to provide quality long-term care to those persons outside of institutions.

We are pleased that the Senate report reflects our position in calling for "a coherent constructive and progressive national policy to meet he long-term care needs of the elderly."

Public support for nursing home reform waxes and wanes, often depending upon the latest news media account of a nursing home fire, food poisoning epidemic, or some other catastrophe. The Senate report should now drive home the fact that the nursing home situation in America is more than a series of isolated "horror stories"; it is a serious and disgraceful problem which demands immediate attention.

THE MAJORITY LEADER

Mr. CLARK. Mr. President, there are as many different opinions on most issues before the Senate as there are Senators. But in my 2 years here, I have found unanimous agreement on one particular point: the respect and admiration that everyone in the Senate has for the majority leader, Senator MANSFIELD.

He celebrated his 72d birthday yesterday, an occasion noted by the New York Times today in an article by John Finney.

On the day the Senate Foreign Relations Committee is considering the administration's request for additional military assistance to Cambodia, the article outlines Senator MANSFIELD'S longstanding commitment and involvement in trying to bring peace there. The article says:

> He stands as an unabrasive yet unyielding critic of the Ford Administration's policies in Cambodia and South Vietnam.

And he stands as one of this country's most effective and articulate advocates for détente and for a world without armed conflict.

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:

MANSFIELD, AT 72, REFLECTS ON "AGONY" OF CAMBODIA

(By John W. Finney)

WASHINGTON, March 16.—As he celebrated today the 72d birthday of a life that has largely been shaped by Asia, Senator Mike Mansfield saw what he called "the beginning of an end of an era" of American involvement in the Asian mainland.

The Montana Democrat, whose interest in the Far East traces back to his service as a marine private in China after World War I, says he is deeply troubled by "the agony of Cambodia," in a personal as well as a political sense.

Sometimes his high-pitched voice protests on the Senate floor against the killing in Cambodia—killing that he thinks would stop if the United States would only cease its support of the Lon Nol Government and deal with Prince Norodom Sihanouk, the exiled Cambodian leader.

FOCUS ON PACIFIC

But for the most part, he sits in his majority leader's office, unobstructively giving advice to his colleagues and State Department officials who will listen.

As a former professor of Asian history, he seeks to draw historical lessons from the debate over continued military aid to Cambodia and South Vietnam.

"What we are witnessing, in my opinion," he observed in an interview last Friday, "is the beginning of an end of an era, which will make a shift away from the Asian mainland and a concentration of sorts in islands of the Pacific."

"The shift will reflect what I believe is a geopolitical truism," he went on, "namely that the United States is not as Asian power but a Pacific power."

If so, Senator Mansfield will stand as a symbolic bridge between the two geopolitical concepts, a man whose career was molded because the United States viewed itself as an "Asian power" and who came to be a leading critic of American political and military involvement in Asian affairs.

Fifty-five years ago, he left the copper mines in Montana to enlist in the Marine Corps and was sent to Nanking to help protect American interests in China. His exposure to a servile China dominated by the big powers was to shape his thinking throughout his academic and political life.

ENTERED HOUSE IN 1942

He returned home to work his way through the University of Montana and to become a professor of Asian history. He was elected to the House of Representatives in 1942 and to the Senate in 1952.

While he stands as an unabrasive yet unyielding critic of the Ford Administration's policies in Cambodia and South Vietnam, the executive branch once again has turned to him for advice on how the United States can extricate itself from Indochina.

Last Friday morning, he was invited to the State Department after Senator Henry M. Jackson, Democrat of Washington, had suggested that President Ford should send Senator Mansfield to Peking to discuss with Prince Sihanouk a negotiated settlement of the Cambodian war.

The State Department officials described a number of indirect contacts they had made with Prince Sihanouk through third countries over the last four months, all, they said, with "nothing in the way of tangible results."

RULES HIMSELF OUT

Senator Mansfield's advice was that a direct contact might be more effective than indirect overtures and that the United States should attempt to deal directly with Prince Sihanouk if it wanted to get negotiations going on a settlement of the war.

At the same time, he seemed to rule himself out as the man to meet with Prince Sihanouk, whom he has known for 22 years.

"It was my suggestion," he said, "that under the Constitution, the conduct of foreign policy is the responsibility of the executive branch, and the place to establish contact, therefore, is not through the legislative branch."

In his statements, however, there is just a hint that if pressed by the President, he might go to Peking to talk with Prince Sihanouk, who startles State Department officials by the way he affectionately hugs the Senator every time they meet.

CAMBODIAN MILITARY ASSISTANCE

Mr. CLARK. Mr. President, the additional military assistance requested by the administration for Cambodia cannot be justified. It is not in the best interests of the people of Cambodia and not in the best interests of the United States. I voted against the military assistance request when the Senate Foreign Relations Committee considered—and approved—a compromise version of it earlier today, and I will continue to oppose it.

Another $82.5 million in arms and ammunition for Cambodia—in addition to the $275 in military aid already being provided by the United States this year—will only add to the death and destruction there, and the conditions imposed in the bill's language will not change that. It will not save the Lon Nol government. It will not convince the Khmer Rouge to negotiate when they are closer than ever to a military victory. It will not avance the cause of peace.

The situation in Cambodia is desperate, both militarily and economically; 80 to 90 percent of the countryside is controlled by the Khmer Rouge. The pressure on the Lon Nol government continues to mount, even though the insurgents are reviving far less outside assistance, and sustaining greater casualties and have even fewer medical supplies than the government troops. In the besieged city of Phnom Penh, the capital, people are dying of starvation. The dwindling government forces are unable to protect the airport that is their only source of supply. A rag-tag army of poorly trained conscripts fights on empty stomachs with little medical supplies to hold the scraps of territory still controlled by the government. And the civilian population is victimized daily by a civil war that has forced them to flee their homes, that has caused runaway inflation which has put food prices beyond their reach, and that exposes them to the constant threat of death.

Defense Secretary Schlesinger has said that—

> If morale holds out and if the funding is given, we do not believe the city can be taken by storm.

In other words, the most the administration can hope for is that with luck and additional military aid, this level of tremendous suffering can be maintained. There seems to be little discussion of a comprehensive, long-term policy with regard to Cambodia, little discussion of the prospects for peace if the additional assistance is given. Instead, there are only the grave warnings about the loss

of Cambodia—as if it were the United States' property to lose.

This country does have an obligation to the people of Cambodia. But it is not an obligation to provide the military sustenance that supports the Lon Nol government. Section 655(g) of the 1971 Foreign Assistance Act—a provision included in every foreign aid bill since—explicitly holds that assistance to Cambodia "shall not be construed as a commitment by the United States to Cambodia for its defense." The only commitment there should be an obligation to do whatever possible to stop the killing, to begin healing the wounds of war and feeding the hungry, to lay the foundation for economic recovery. Additional military assistance will not advance a single one of those causes. And it is important to remember that not one dollar of the additional money requested for Cambodia would be spent on food or medical assistance.

Even without this military aid, the government forces still have enough ammunition to continue fighting for another month. In that time, much can be done to assure an orderly and peaceful transition of power in Cambodia, a transition that virtually everyone concedes is inevitable. The United Nations, the other members of the international community—including the People's Republic of China—and relief organizations can help bring about a cease-fire and a humane peace. If this country is genuinely committed to Cambodia, it will help end the suffering there instead of prolonging it. Whatever government has authority in Cambodia in the weeks and months ahead, it will need the food and humanitarian aid that this country can supply to rebuild itself.

The dire warnings of a Cambodian "bloodbath" conveniently distract attention from the bloodbath now underway. One thing is certain: If there is to be a bloodbath accompanying the fall of the Lon Nol government, the United States cannot prevent it by providing additional military assistance that only perpetuates the killing for a few more months. Those few months could be better used for efforts to bring about as orderly and as peaceful a settlement as possible.

This country can help prevent a bloodbath, though, by making it clear that our prevailing interest in Cambodia is a humanitarian concern for the well-being of its people instead of the well-being of the current government. The United States would be in a better position to urge restraint and humane treatment by both sides if it demonstrated a commitment to alleviating the suffering of the Cambodian people. A pledge to cooperate with a new Cambodian government in economic recovery and rehabilitation would do far more than more arms and ammunition to end the bitterness of 6 years of civil war.

I have joined a number of other Senators in introducing legislation that calls for half of U.S. food aid to Cambodia to be distributed under the title II humanitarian assistance section of Public Law 480, the food for peace program. This is an important step in the right direction, and a similar provision was adopted by the Foreign Relations Committee today along with an increase in the total amount of Public Law 480 assistance.

The memory most Americans have about Cambodia dates back 5 years or so to North Vietnam's flagrant violations of Cambodia's neutrality by pouring thousands of troops into South Vietnam along the Ho Chi Minh trail. Then in May and June of 1970 came the "incursion" of U.S. forces into Cambodia, followed in 1973 by the disclosures that the United States has "scrupulously respected the neutrality of the Cambodian people" by the secret, illegal, and devastating B-52 raids on Cambodia in 1969 and 1970. It is not a pleasant memory.

For the last few years, North Vietnam and the Vietcong have contributed a great deal to the death and destruction in Cambodia. And so has the United States—by giving $1.8 billion in arms and ammunition and military aid over the last 5 years. With that record, we now should contribute to its chances for peace and recovery by ending military assistance and taking an active role in encouraging a ceasefire. There has been enough killing.

Mr. President, yesterday's Washington Post carried an excellent analysis of the situation in Cambodia by Murrey Marder and Michael Getler, and Anthony Lewis has a column of special interest in today's New York Times.

I ask unanimous consent that the articles be printed in the RECORD.

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

[From the Washington Post, Mar. 16, 1975]

THE PEACEFUL CAMBODIANS: INNOCENT VICTIMS OF WAR

(By Murrey Marder and Michael Getler)

Cambodia is the supreme innocent victim nation in the Indochina war.

Too weak to challenge any intruder, Cambodia first became a highway and a sanctuary for North Vietnamese and Vietcong warfare in South Vietnam. Next, its borders were crossed by American and South Vietnamese troops to attack the Communist bases. Finally, Cambodia itself, one of the most peaceful nations in Asia, was plunged into nationwide civil war, with the opposing Cambodian sides supported by the outside powers.

Few Americans know the full record of overt and covert U.S. involvement in Cambodia. It is a strange mixture of compassion, and strategic exploitation of Cambodian territory as an adjunct of the war in Vietnam. In cold U.S. strategic terms, Cambodia never was more than a target zone for the Vietnamese war.

Out of the Nixon administration's attempt to conceal its original, secret operations in Cambodia from a Congress that feared "another Vietnam," came a twisted action-reaction sequence of dissembling, deception and official spying that contributed to the roots of the Watergate scandals, and, ultimately, to President Nixon's resignation.

This corrosive impact, out of all proportion to the American strategic stake in Cambodia, accounts for much of the exceptional opposition in Congress to President Ford's appeals for emergency aid to Cambodia to preserve American "morality" and "credibility."

The Nixon administration's boast that it achieved "peace with honor" by withdrawing all U.S. troops from South Vietnam in early 1973 without surrendering that nation to Communist control, also ended the strategic rationale for American involvement in Cambodia. At the insistence of Congress, American legislation year after year had expressly stated that there was no U.S. "commitment" to Cambodia; the Nixon administration repeatedly agreed.

And yet, the United States for five years did enmesh itself massively in the fate of Cambodia. It armed and greatly expanded the forces of the anti-Communist government in Phnom Penh, while North Vietnam did the same for the Khmer Rouge insurgents, producing a major internal war that did not exist before American troops crossed the Cambodian border in 1970.

Cambodia, U.S. officials maintain, would have been taken over by the Communists in any event because of its strategic relationship to the war in Vietnam. Perhaps, critics counter, but now Cambodia has had the worst of both worlds, a devastating war plus the prospect of Communist rule.

There are no accurate statistics on Cambodia for virtually anything, especially on the costs of the war since 1970, in which the dead and wounded run into the hundreds of thousands. Some U.S. experts' estimates go as high as 700,000 Cambodians, military and civilian—one-tenth of the population—killed or wounded on both sides, with at least one-third of Cambodia's seven million people turned into refugees.

In the five years since U.S. troops, accompanied by South Vietnamese troops, launched a "limited" strike into Cambodia, about $1.75 billion worth of American military and economic support has gone to that nation.

The prime cost to the United States of its Cambodian venture however, has been neither blood nor money. It has been the damage done to the American social fabric as the consequence of actions that took place during the past six years, even before the public and Congress were aware that the United States was involved deeply in Cambodia.

Two of these events were virtually political time bombs, which publicly exploded in 1973, three years after they happened. Both were outgrowths of secret, massive American B-52 bombings between March, 1969, and April, 1970, against the same Communist sanctuaries in Cambodia that were the targets of the publicly announced ground border crossings of April 30, to June, 1970.

In May, 1969, a news leak about the then supersecret B-52 bombings brought White House orders that launched the wiretapping of U.S. officials and newsmen. This was the first link in the chain of clandestine White House operations that next produced the White House "plumbers" and expanded ultimately into the Watergate scandals.

That revelation, in 1973, as Wategate began to engulf the Nixon administration, was followed by the forced-disclosure of the record of secret 1969-70 B-52 bombing in Cambodia, which was falsely reported to Congress as air strikes over South Vietnam.

Congress was stunned by the magnitude of the bombing, 3,695 sorties dropping 105,837 tons of bombs on Cambodia; by the magnitude of the deception, and by the mockery of President Nixon's claim that from 1954 onward it was United States policy "to scrupulously respect the neutrality of the Cambodian people." The contradiction, U.S. officials insisted, was impelled by security interests, to protect the tacit acquiescence by Cambodia's ruler, Prince Norodom Sihanouk, to the secret bombing.

Emboldened by that furor, and by the Watergate-weakened position of the Nixon administration, Congress voted a total cutoff of all American combat activities throughout Indochina, as of Aug. 15, 1973.

Only in Cambodia were American forces then in combat, supplying critical air support

for the Cambodian government of Sihanouk's successor, President Lon Nol, and still bombing the elusive North Vietnamese and Vietcong sanctuaries on the Cambodian-South Vietnamese border.

What President Nixon indignantly said then about the bombing ban forced by Congress, is literally what President Ford has argued to Congress in recent weeks about a total cutoff of U.S. aid to Cambodia: ". . . the incentive to negotiate a settlement in Cambodia has been undermined" and "this abandonment of a friend will have a profound impact in other countries . . ."

The Cambodian government of Lon Nol has hung on to life longer than critics, and most U.S. officials, expected. But from Aug. 15, 1973, onward, its survival has only been a question of time, and the time was used for no benefit either to Cambodia or the United States.

In a burst of euphoria that Nixon administration strategists immediately wished they could expunge from the record, President Nixon once exclaimed in 1971, "Cambodia is the Nixon Doctrine in its purest form."

A more honest version of what the Nixon administration really thought of the application to Cambodia of the Nixon Doctrine, which promises support but no U.S. forces to nations to defend themselves, appears in a current book by former Nixon speechwriter William Safire, "Before the Fall."

At a meeting of White House aides to brace them for Nixon's startling announcement of April 30, 1970, that he was sending troops into Cambodia, Safire relates the following sequence:

"I asked (Secretary of State Henry A. Kissinger): 'Doesn't this fly in the face of the Nixon Doctrine?'

"Henry exploded: 'We wrote the goddam Doctrine, we can change it.' "

"This was probably intended half in jest," Safire continues, "and received half a laugh, which helped calm everybody a little. 'We never said U.S. troops would never be used,' Kissinger explained. 'This doesn't apply to a situation where 425,000 Americans were already involved (in South Vietnam).'

"As Kissinger left, (H.R.) Haldeman gave me a hard look—some of the nastier questions had been mine—and said, 'The thing to remember is that this is the best way to end the war, and this is the best way to save U.S. lives.' Al Haig, Henry's deputy, got up and—in an uncharacteristically loud voice—barked: 'The basic substance of all this is, we have to be tough!' He seemed embarrassed at the loud sound of his soft voice, and concluded his presentation quickly."

The reference to toughness did not apply only to Indochina. The Nixon decision to cross Cambodia's borders, a step repeatedly rejected by President Johnson, had a dual purpose.

To reinforce its secret global strategy, the Nixon administration sought to show the Soviet Union and China, as well as North Vietnam, that it was prepared to use unpredictable force to buttress American diplomacy. This was the underlying motive behind Nixon's apocalyptic exclamation in his April 30 Cambodian "incursion" announcement, that failure to act boldly would turn the United States into "a pitiful, helpless giant . . ."

The American ground strike into Cambodia was presented to the American public as a crisis-reaction to protect U.S. troop withdrawals from South Vietnam and prevent a Communist conquest of Cambodia. In fact, U.S. military commanders saw it more as "a golden opportunity," as the record later showed, than a threat.

The secret B-52 bombing of the same base areas, launched 14 months earlier to help cover the Nixon administration's troop withdrawals from South Vietnam, had produced only limited military satisfaction. U.S. commanders were pressing for more forceful action to justify further American troop withdrawals; the Nixon administration was under heavy pressure at home to speed up withdrawals to siphon off opposition to the war.

At that sensitive point, Prince Sihanouk was unexpectedly ousted from control of the 1,618-year-old Cambodian monarchy.

His relations with the United States had touched all extremes, as he shifted balance precariously to stay in power.

In 1953 he came to Washington, seeking help to make Cambodia independent of French rule. According to Sihanouk's account, Secretary of State John Foster Dulles "replied arrogantly: 'Go home, your majesty, and thank God that you have the French. Without them, (North Vietnam's) Ho Chi Minh would swallow you in two weeks."

Sihanouk, at the end of the French Indochina war, in 1954, did get U.S. military and economic support, then rejected it in 1963 and broke relations with the United States two years later, charging the CIA with plotting against him.

The second Indochina war was on. Sihanouk, to survive, was tilting in the opposite direction. He bowed to the use of Cambodian territory by North Vietnam and the Vietcong and opened the port of Sihanoukville to them for supplies, shared by the Cambodian army, then headed by Lon Nol.

"There was two-thirds (of the supplies) for the Vietcong," Sihanouk said from exile in 1973," and one-third for my army."

By 1967, Sihanouk conceded that Cambodia was "a country caught between the hammer and the anvil." He charged the Vietnamese Communists with encouraging the Khmer Rouge insurgents against him, and from the opposite side, he charged, the Americans, South Vietnamese and Thais were supporting the anti-Sihanouk and anti-Communist Khmer Serei.

Subsequent disclosures did show that American Special Forces (Green Beret) teams, and Khmer Serei agents, supported by the Central Intelligence Agency, from at least 1966 onward were crossing the Cambodian borders for reconnaissance, aerial spotting, and other intelligence missions.

Cambodia's ruler set out once more to redress the balance, with the United States, restoring diplomatic ties in July, 1969. In the process, Sihanouk condoned the secret bombing of the Vietnamese Communist base zones, as long as no Cambodians were victims of attack.

U.S. compensation to Cambodian civilians hit in what were described as "accidental" cross-border firings and bombings even had a formal scale, labeled "solatium" payments: $400 for each death; $100 to $150 for each injured victim.

Then Sihanouk made his fatal blunder as Cambodia's ruler. In January, 1970, he left Phnom Penh for his annual "rest cure" vacation in France, leaving Cambodia under the control of Lon Nol and other anti-Communist, pro-Western officials. Sihanouk claims he fell victim to a CIA plot; American officials, then and now, adamantly deny that, and assert that on the contrary, it was in the U.S. interest to sustain Sihanouk at that point, not oust him.

Events immediately preceding the toppling of Sihanouk included the sacking of the North Vietnamese and Vietcong embassies and a 48-hour ultimatum served on their forces to leave Cambodia. To back up its improbable demands, Cambodia had a smiling badly equipped army of 35,000 men, notable mostly for appearances in motion pictures written, produced and directed by Sihanouk.

From Paris, Sihanouk furiously denounced the ultimatum. On March 18, 1970, he was deposed by the Cambodian National Assembly, with power assigned to Lt. Gen. Lon Nol, Prince Sisowath Sirik Matak, Sihanouk's cousin, and Cheng Heng, president of the National Assembly.

Between the overthrow of Sihanouk and the joint American-South Vietnamese strike into Cambodia, the United States maintained that it was urging "restraint" on all parties, to allow opportunity for diplomatic bargaining to avert war throughout Cambodia.

But simultaneously, as Melvin R. Laird, then Secretary of Defense, acknowledged afterward, "I had been encouraging the South Vietnamese to move across into Cambodia."

South Vietnamese troops launched their first major attack on Communist units in Cambodia on March 27. As a consequence, Vietnamese Communist troops were not threatening to move out of their Cambodian sanctuaries into South Vietnam to endanger U.S. forces there when American units entered Cambodia a month later. Instead, the Communists were headed in the opposite direction, trying to restore their supply lines cut off by the Phnom Penh government.

Now, Vietnamese Communist troops for the first time were spread deep into Cambodia. There they became a shield for the expansion of the Kmer Rouge insurgents. The stage was set for major civil war with the Phnom Penh government.

No one can be certain in restrospect what the American public and congressional reaction might have been if this record of deep U.S. involvement had been known at the time. The public response to the little that was known was explosive enough.

At the time of the U.S. border crossing, the official American version was that North Vietnamese and Vietcong forces were threatening to spread out of their Cambodian sanctuaries and endager U.S. troops in South Vietnam. In fact, American officials conceded afterward, the Vietnamese Communist troops, anticipating an American border penetration, were moving in the opposite direction, to try to restore their supply lines cut off by the Phnom Penh government.

As one far-reaching consequence of the American-South Vietnamese intervention. Vietnamese Communist forces for the first time spread out across Cambodia. The stage was now set for civil war, with these forces shielding the buildup of Khmer Rouge-led insurgents.

The American public reaction to Nixon's order, as will be recalled, touched off the stormiest demonstrations of the war on American campuses. Angry reactions to the shooting deaths of four students and wounding of 11 others at Ohio's Kent State University led to the closing of hundreds of colleges and universities across the nation. On May 9, 1970, the White House itself was literally in a state of siege, with buses encircling it bumper-to-bumper to block off demonstrators.

This was a critical turning point inside the Nixon White House, inflaming the siege mentality that ultimately was labeled Watergate.

Congress, in turn, stunned by the threat of a new war in a new country, was little placated by Nixon's pledge that U.S. troops were in Cambodia for a limited time and limited purpose.

The American troops, the President proudly announced on June 30, 1970, were all out of Cambodia after a highly successful two-month campaign that assured the continuance of U.S. withdrawal from South Vietnam. But on the way out of South Vietnam, the United States also had a widened war on its hands.

In the ensuing struggle between Congress and the White House over financing the new war in Cambodia, Congress imposed unusual restrictions on U.S. operations in Cambodia, prohibiting any U.S. combat forces or ad-

visers, and narrowly limiting all American personnel in that nation.

The restrictions cut both ways, however. With few Americans in Cambodia, corruption of U.S.-supplied support was virtually uncontrollable.

In late December, 1972, the Cambodian government acknowledged that one-third of its supposed army was nonexistent: pay was being drawn for 100,000 "phantom troops," with 300,000 men listed on the payroll, and only about 200,000 actually in the armed forces.

In contrast, the Khmer Rouge, numbering only about 3,000 men in April, 1970, were built into a powerful fighting force, augmented by 3,000 to 5,000 Cambodians trained in North Vietnam since 1954, and by Sihanoukists or other opponents of the Lon Nol regime.

By March, 1972, according to U.S. analysts, the Khmer Rouge needed only a few thousand North Vietnamese advisers and supply troops, to be able to outfight the hurriedly assembled and badly led Phnom Penh troops. The bulk of the North Vietnamese and Vietcong forces were free to fight in South Vietnam, where they helped launch the Communist spring offensive of 1972.

Sihanouk, in Peking, has traveled full circle to become the nominal chief of the insurgent government-in-exile, while the real leaders of the Khmer Rouge are in Cambodia.

"I understand very well," Sihanouk told an interviewer in 1973, "that when I shall no longer be useful to them (the Khmer Rouge), they will spit me out like a cherry pit."

Sihanouk maintains, and American officials firmly deny, that the United States over the years repeatedly missed opportunities for a diplomatic settlement of the bloodletting in Cambodia. All details of that record remain secret, apart from recent U.S. assertions that numerous fruitless attempts were made to reach a compromise, with Congress blamed for thwarting the most promising chance by its August, 1973, cutoff of U.S. air support for Cambodia.

If the blame-pointing at Congress by the Ford administration for the disaster in Cambodia was seriously intended to pry loose sizable funds to continue support for the Lon Nol regime, it had the opposite effect. Whatever funds, if any, Congress authorizes now for Cambodia, many U.S. officials privately concede, are likely to be, as one put it, "only a last gesture to help negotiate a surrender."

[From the New York Times, Mar. 17, 1975]

AVOIDING A BLOODBATH

(By Anthony Lewis)

WASHINGTON.—The Administration's basic arguments for additional military aid to the Lon Nol forces in Cambodia have failed in Congress. Members right across the political spectrum now dismiss the talk of an American commitment and credibility.

The one remaining argument is that more arms aid will help prevent a "bloodbath" as the insurgents take over in Phnom Penh. This view has weight because it originated with Representative Paul N. McCloskey Jr., a longtime opponent of American intervention in Indochina. But not many have focused on precisely what Pete McCloskey said.

In testifying before a Senate Foreign Relations subcommittee last week, Mr. McCloskey emphasized the horror of what is actually happening now in Cambodia. In just the first two months of this year, he estimated, the war cost 15,000 lives and four times that many wounded. That is 75,000 casualties in a nation of 7 million.

Mr. McCloskey said he feared "vengeance" by the insurgents because Lon Nol's army makes a "practice of taking no prisoners." (Congressional sources say the U.S., concerned at this practice, gave money for a P.O.W. facility—but it was never built.) Second, Mr. McCloskey said he was moved by grim refugee accounts of Khmer Rouge brutality. He told the Senators:

"I do not think I ever voted for this war, but I am a part of the United States which invaded Cambodia in 1970 for our own purposes, and caused a nation of 7 million people to lose 10 percent of their people killed, half of their people refugees . . . We could not have a greater sense of guilt to a nation in the world than what we have done to these poor people. And it is that reason, that sense of guilt, that causes me to think we owe them the best chance of keeping the most number of Cambodians alive."

The McClosky proposal was to keep the ammunition going to Phnom Penh until the wet season in June—and only until then, making June 30 the final cutoff date for arms aid. He said his aim was to keep the defense perimeter around Phnom Penh these few more months in order to let those marked for retribution by the Khmer Rouge to get away before power was transferred. These were his specific ideas:

Lon Nol and his "top people" should resign. "I don't think there is any chance of Lon Nol stabilizing that country in any way. That government is corrupt and inept both . . . I don't think there is any chance whatsoever of negotiation with Lon Nol."

Whoever takes the government over should then negotiate Phnom Penh's surrender. He should "take a white flag and go outside of the perimeter and try to turn the city over in condition for a peaceful transfer with people allowed to leave that would be simply subject to execution."

The essence of Congressman McCloskey's proposal is time to let people get out before the government falls. If the Ford Administration really agreed with him, it would accept his June cutoff date for military aid. But it does not. That is because it is not prepared publicly to admit his premises—the inevitability of Lon Nol's fall, the need to minimize bloodshed as power passes. It wants to keep the war going in the hope that something will turn up—and merely uses the bloodbath argument to that end.

Some Republicans, notably Senator Jacob Javits, may have supported more arms aid under the misapprehension that the Administration did accept the McCloskey view. Over the weekend the White House made clear that the President has not accepted a cutoff date, and officials disclosed plans to ask Congress for $421 million more in arms for Cambodia after June.

Some will find the whole bloodbath debate unreal. What future possibility could be more terrible than the reality of what is happening to Cambodia now? If the concern is for the safety of particular people, how will delay help them? Mr. McCloskey's conclusion does not follow from his premises.

But there is a responsibility, as Mr. McCloskey says—a responsibility to try to minimize the final damage from a tragic American miscalculation. And there are things to do.

Large amounts of American food are going to Cambodia now, and more is in the pipeline. We could create an incentive for restraint on the part of the insurgent forces if we held out an offer of continuing shipments of food after any change of government—food and medicine.

We could also seek to introduce some international personnel into the situation in Phnom Penh as change occurs. Prince Sihanouk, the nominal head of the insurgent regime, has actually indicated that this would be acceptable—if American arms aid stops. In a cable last week he spoke, with that condition, of the insurgent party, government and army accepting "contact" with "Americans or France or the United Nations in order to arrange the question of a peaceful transfer of power."

Finally, it is an American obligation to get Lon Nol and those around him out of the country. The means are there: the airlift planes that land every few minutes and leave empty. Waiting will cost more lives, not save them. The time has come to put an end to the killing.

CONCLUSION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONTINUING AUTHORITY OF SENATE COMMITTEES TO PAY COMPENSATION AND MAKE EXPENDITURES

The Senate continued with the consideration of the 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.

Mr. ROBERT C. BYRD. Mr. President, what is the pending matter before the Senate?

The ACTING PRESIDENT pro tempore. Senate Resolution 111 is the pending business.

Mr. ROBERT C. BYRD. I thank the Chair.

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

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

UNANIMOUS-CONSENT AGREEMENT ON HOUSE CONCURRENT RESOLUTION 133

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of House Concurrent Resolution 133 and that, when the Senate completes consideration of Senate Resolution 111, it proceed to the consideration of House Concurrent Resolution 133; that at such time as House Concurrent Resolution 133 is before the Senate, there be a time limitation thereupon, with the time to be equally divided between Senators PROXMIRE and TOWER; that no amendments be in order thereto; and that the vote on the resolution occur immediately upon the expiration of the time allotted, with the debate on the resolution.

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

Mr. ROBERT C. BYRD subsequently said: Mr. President, I amend my earlier order concerning House Concurrent Resolution 133.

I ask unanimous consent that it be in order to offer an amendment in the nature of a committee substitute by Mr. PROXMIRE, and that upon the adoption of that committee substitute, the vote on House Concurrent Resolution 133, as amended, then immediately occur.

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

ORDER VACATING DISCHARGE OF COMMITTEE

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the previous order providing for the discharge of the Committee on Banking, Housing and Urban Affairs of House Concurrent Resolution 133 be vitiated.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if a rollcall vote is ordered on the passage of House Concurrent Resolution 133, as amended by the committee substitute, that rollcall vote occur immediately following the rollcall vote today on S. 1172.

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

THE CONDUCT OF MONETARY POLICY—HOUSE CONCURRENT RESOLUTION 133

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs I send a report and a resolution to the desk.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. 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.

UNANIMOUS-CONSENT AGREEMENT—HOUSE CONCURRENT RESOLUTION 133 AND S. 1172

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Senate Resolution 111, the Senate proceed to the consideration of House Concurrent Resolution 133, and that upon the disposition of House Concurrent Resolution 133, the Senate proceed to the consideration of S. 1172, with the understanding that all votes will occur in the same sequence as ordered following the vote on S. 1172, which has already been scheduled for 3:30 p.m. today.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 a.m. tomorrow.

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

(The foregoing order was subsequently amended to provide that the Senate recess until 10:30 a.m. tomorrow.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

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

CONTINUING AUTHORITY OF SENATE COMMITTEES TO PAY COMPENSATION AND MAKE EXPENDITURES

The Senate continued with the consideration of the 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.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CANNON. What is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is Senate Resolution 111.

Mr. CANNON. Mr. President, Senate Resolution 111 is a continuing resolution to continue through May 31, 1975, the authority of Senate committees to pay compensation and make expenditures for inquiries and investigations, and for other purposes.

This continuing resolution was proposed because the Rules Committee has had a very difficult task of proceeding with all of the money resolutions for the various committees and at the same time trying to carry out its responsibilities with respect to the New Hampshire election, and as well to give consideration to a proposal known as the Gravel resolution, which would change the makeup of the staff allowances for Members for representation on committees.

So the Rules Committee unanimously reported Senate Resolution 111, to continue present authority until the end of May of this year, because that would permit the Senate committees to continue expenditures at the basis that they have been spending up to the present time, or during the last quarter, and at the same time would give us the opportunity, immediately when the New Hampshire election count of the votes is concluded, to hold a hearing on the so-called Gravel resolution and make a determination with respect to that matter, which might in turn affect some of the allowances given to the committees under the money resolutions that are now before the Senate.

Based on that, Mr. President, we have given the assurance, and I again give the assurance now, that we will proceed to hold hearings on the Gravel resolution at the earliest possible time, and we have assured its sponsors that we interpret that to mean that we would try to hold them so as to conclude the matter within 2 weeks after the conclusion of our counting of the votes with respect to the New Hampshire election.

We are anticipating that we will not need the period of time covered by this resolution up until the end of May, but to cover possible contingencies we did make the resolution effective to the end of May.

As I say, it has the unanimous approval of the members of the Committee on Rules and Administration.

Mr. President, I have nothing further to say on the matter, unless some Senator has a question.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 111) was considered and agreed to, as follows:

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 resolution 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 move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

THE CONDUCT OF MONETARY POLICY

The ACTING PRESIDENT pro tempore (Mr. STONE). Under the previous

order, the Senate will now proceed to the consideration of House Concurrent Resolution 133, which the clerk will state.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 133) to lower interest rates.

The Senate proceeded to consider the concurrent resolution which had been reported from the Committee on Banking, Housing and Urban Affairs, with an amendment to strike out all after the resolving clause and insert:

That it is the sense of Congress that the Board of Governors of the Federal Reserve System and the Federal Open Market Committee—

(1) pursue policies in the first half of 1975 so as to encourage expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery; and

(2) maintain long-run growth of the monetary and credit aggregates commensurate with the economy's long-run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.

Pursuant to this resolution, and taking into account the international flows of funds and conditions in the international money and credit markets, the Board of Governors shall consult with Congress at semiannual hearings before the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking, Currency and Housing of the House of Representatives about the Board of Governors' and the Federal Open Market Committee's objectives and plans with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming twelve months. Nothing in this resolution shall be interpreted to require that such ranges of growth or dimunition be achieved if the Board of Governors and Open Market Committee determine that they cannot or should not be achieved because of changing conditions.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to ask for a quorum call without the time being charged against either side on the concurrent resolution.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

The assistant legislative clerk proceed to call the roll.

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

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

Mr. PROXMIRE. Mr. President, during the past decade, our economy has experienced overlapping waves of inflation and recession. Each inflationary wave and each recession has been more virulent than its predocessor. Today, we are in the midst of the worst economic downswing since the 1930's. With measured unemployment at 8.2 percent, the current downswing qualifies as at least a great recession or mini depression. At the same time, consumer prices are still rising at an intolerably high rate as the worst we have had since the second World War is only now beginning to taper off.

Economists of diverse persuasions, monetarists and Keynesian alike, agree that erratic growth in the money supply and other monetary and credit aggregates is a major cause, not the only one, certainly, but definitely a major cause of our recent and worsening economic instability. The resolution which we will vote for today will do much to restore economic stability. It is designed to promptly reverse the still deepening recession and to do so without igniting a new wave of inflation. In turn, stable prices will assure that interest rates will fall and stabilize at moderate rates that are consistent with the productivity of capital and contain no add-on or premium for inflation as rates now do.

Briefly, House Concurrent Resolution 18 sets forth near and long-term guidelines for the conduct of monetary policy and establishes a procedure for systemmatic oversight by the Congress of Federal Reserve policies, not day-to-day, of course, but only as these policies are manifested in the growth—or diminution—of the money supply and other monetary and credit aggregates.

The near term guideline calls upon the Federal Reserve Board and Federal Open Market Committee to pursue policies in the first half of 1975 so as to encourage expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery.

The long-term guideline expresses the sense of Congress that the Board and Open Market Committee maintain long run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices and moderate long term interest rates.

Chairman Burns testified that the Board has "no quarrel" with these guidelines.

The final paragraph of the resolution calls for systemmatic oversight hearings wherein the Board of Governors "shall consult with the Congress at semiannual hearings" before the Banking Committees of the House and Senate "about the Board of Governors' and the Federal Open Market Committee's objectives and plans with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming twelve months." The "ranges of growth or diminution" would not be binding, however, if the Board and Open Market Committee "determine that they cannot or should not be achieved because of changing conditions."

In arriving at this language committee members reconciled their desire to secure operational information about planned growths of the monetary and credit aggregates, which would be useful to Congress, the administration, and business and labor without benefiting speculators, and without denying the Federal Reserve flexibility to deal with unexpected developments. The adopted language is intended to achieve these purposes.

The committee is aware that good fiscal policy is difficult to formulate without reasonably reliable information about the future growth of monetary and credit aggregates. Such information also is required to generate reasonably reliable economic forecasts, which, in turn are essential to rational wage bargaining and intelligent business decisions. Discussion and disclosure of planned "ranges of growth or diminution of the monetary and credit aggregates in the upcoming 12 months" will not eliminate all uncertainty about the future growth of the money supply and other aggregates, but it will provide reasonably reliable information about this crucial element in the economic decisionmaking process. At the same time, testimony was received indicating that as things now are, it is "no secret" to speculators what the Federal Reserve is doing day-to-day, and moreover that disclosure of any growth plans with respect to the aggregates would be made to everyone at the same time.

The language of the final paragraph also makes absolutely clear that, in implementing the resolution, the committee intends that the Federal Reserve shall have the authority to adopt the "ranges of growth and diminution" for the money supply and other aggregates which it determines are appropriate and consistent with paragraphs (1) and (2), and to review and change its plans if conditions change. The only requirement is that it consult with the Congress at semiannual hearings before the House and Senate Committees on Banking about the "ranges of growth or diminution" entailed in its objectives and plans for the next 12-month period.

By definition, growth and diminution involve measurable changes per unit of time, and ranges involve bounded intervals. Currently, as was earlier observed, as reported in the public records of the Open Market Committee, Federal Reserve policy with respect to the monetary and credit aggregates is formulated and delineated in terms of upper and lower percent per year boundaries for various aggregates. The practice provides a model upon which the hearings might be based.

Mr. President, this resolution, it seems to me, is one of the most significant that Congress has ever adopted with respect to monetary policy. We have been operating in a fog of language in the past, without really knowing what our monetary policy is. In the future, based on this resolution, we will be in a position to have some notion of what the range of increase in the money supply is and the credit aggregates, how much credit is going to be available, just as we know what our revenue policy is and what our budget policy is.

So that Congress will have information that is specific and definite, related to a definite numerical range, a kind of information we have not had in the past.

At the same time, I want to make it clear that this is not any attempt to have Congress make the decision for the Federal Reserve Board. The Federal Reserve Board will make the decision, as they have in the past, and they should. They have the expertise. They devote their

full time to this, and they have people of great economic capability. But in the past, we have not had the understanding of what monetary policy is. This resolution is designed to give us that understanding and to give us a framework for debating and discussing and developing a better understanding as time goes along.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against either side on the resolution.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

THE CONDUCT OF MONETARY POLICY

The Senate continued with the consideration of the concurrent resolution (H. Con. Res. 133) referring to the conduct of monetary policy.

Mr. TOWER. Mr. President, House Concurrent Resolution 133, as amended, is a significant piece of legislation because it states for the first time the sense of Congress regarding the conduct of monetary policy. The purpose of this legislation is to provide congressional oversight of Federal Reserve monetary policy. Since this is a significant departure from current practice, I want to make several points regarding this resolution.

The first part of the resolution is designed only to be a temporary expedient. Its purpose is to provide the Federal Reserve with the sense of Congress that policies should be pursued during the first half of this year so as to facilitate prompt economic recovery. It does not spell out any predetermined rates of growth in monetary and credit aggregates so as to achieve that objective. Nor does it bind the Federal Reserve to any specific rate of growth in the aggregates. The Federal Reserve is simply informed that the sense of Congress is for policies to move in the direction of promoting economic recovery. Certainly it is not desirable for specific rates of monetary and credit aggregates to be spelled out, particularly for such short-run periods.

The first part of this resolution will not apply after July 1, 1975, when the second part of the resolution comes into play. At that time, the Federal Reserve is provided with the sense of Congress that monetary policies should maintain the long-run growth of monetary and credit aggregates in line with the long-run growth potential of the economy. At that time, such short-term objectives as that contained in the first part of the resolution should be unnecessary. Certainly, they are to be avoided in the future, since it is such short-run changes in the direction of monetary policy that the second part of the resolution is intended to avoid.

Finally, it should be stressed that the congressional consultation provision in the resolution is designed to allow consultation by the Federal Reserve about its objectives and plans regarding monetary and credit aggregate growth in the future. Certainly, if the Federal Reserve cannot achieve such plans and objectives in the future because of changing conditions, it would not be required to maintain them. And certainly, Congress should avoid the game of trying to second-guess the Federal Reserve about its objectives and plans. The most dangerous game which could be played with monetary policy would be one in which Congress seeks to override monetary policy objectives and plans that are not consistent with the second objective of this resolution; that is, maintaining the longrun growth in monetary and credit aggregates in line with the economy's longrun potential.

No one can doubt the importance of an appropriate monetary policy to the performance and general health of the U.S. economy. I welcome the proposed concurrent resolution for recognizing that fact and for providing a new mechanism through which the Congress will be kept informed of the operations and objectives of the Federal Reserve.

I should not that one should not greatly exaggerate the role that monetary policy has played in the ills that have plagued our economy over recent years. The raging inflation we have suffered and the current recession are attributable not only to changes in the supplies of money and credit that have taken place from time to time, but also to the huge deficits that our Government has run. These began with the deficit financing of the Vietnam war and have continued through the intervening years right up to the present time, when a massive deficit financing program is in prospect for this year and next. Surely these deficits, by adding to the public's purchasing power, have contributed heavily to our inflationary problem. Also, by adding to the demand for credit in our financial markets, they have contributed to shortages of finance for housing, for State and local needs, and for the myriad other purposes that our people have in mind when they seek to borrow.

International events have also added to our inflationary woes as have the crop failures in 1972 and again last year.

There is also a role played by the worldwide boom of 1972–73, and by the worldwide recession.

Closer to home, there is also the role of speculative exuberance that affected our businessmen and investors in the 1960's and the depths to which consumer confidence has recently fallen, as families have seen their savings eaten up by inflation and their budgets constricted by ever-rising prices. Surely these developments, psychological in character and of pervasive influence, have had major implications for the behavior of our economy.

Of course, it is important to look to the supplies of money and credit that our people have to borrow and to spend. If there is too much money, the tendency will be toward inflation; if there is too little, spending will be retarded and the economy threatened with recession. But, in addition to the supply of money and credit, there is even the more important question of how actively money is utilized. If people are optimistic, they will spend and invest and borrow actively; if they are despondent, they will hold back from making financial commitments for the future. That is to say, it is not only the quantity of money, but also its turnover—the speed with which it passes from hand to hand—that will determine total expenditure and the general health and prosperity of the Nation.

This concurrent resolution is not a panacea that will cure our Nation's economic ills. It may be a desirable step, on grounds of proper congressional oversight procedure. But it may not necessarily improve the conduct of monetary policy, which already receives the continuous day-by-day attention of our central bank experts in that field, particularly if it becomes subject to political pressures. Nor would a perfectly exercised monetary policy—should that somehow be attainable through infallible vision and foresight—in and by itself take care of all of the economic problems we face, many of which are of our own devis' 'g. And let us not overlook the fact that the Federal Reserve deserves credit for its courageous efforts to protect the integrity of the dollar at a most difficult time.

MONETARY POLICY RESOLUTION—CRUCIAL STEP TOWARD COORDINATED NATIONAL ECONOMIC POLICY

Mr. HUMPHREY. Mr. President, the resolution the Senate is about to vote upon, Concurrent Resolution 133, is of historic importance because it is a first step in reaffirming Congress constitutional responsibility "to coin money and regulate the value thereof." For too many years, Congress has abdicated its responsibility to provide the Federal Reserve with broad guidance in the formulation of money and credit policies. The result has been a lack of coordination in this crucial area of economic policy, with damaging effects upon credit flows, interest rates, housing, economic growth, and employment. The enactment of this resolution will, hopefully, reduce the deficiencies of monetary policy and improve the operation of the economy.

This resolution also provides a good example of the kind of cooperation on economic policy that can be achieved in the Congress. In both Houses, and on both sides of the aisle, Congress has been at work developing the ideas embodied in this resolution. Senator PROXMIRE has provided great leadership here in the Banking Committee and there has been strong support from the Joint Economic Committee.

I have devoted a great deal of time to this issue myself, because I felt it was of great importance. I therefore joined Senator PROXMIRE as one of the principal cosponsors. I also testified before the Senate Committee on Banking,

Housing, and Urban Affairs in support of this important legislation.

The resolution is important for the following reasons:

First, it directs the Federal Reserve Board of Governors to take appropriate action in the first half of 1975 to increase the money supply at the rates necessary to encourage economic recovery. This is necessary to get the economy up to cruising speed, stop recession, and restore jobs.

Second, it directs the Federal Reserve Board to maintain a steady long-term monetary policy commensurate with the full potential of the economy, maximum employment, and stable prices. This provision is necessary to keep the economy at a sensible cruising speed.

Finally, the resolution requires the Federal Reserve to consult with Congress on the formulation of money and credit policy at semiannual hearings. This provision would simply bring the Federal Reserve and Congress into open, sensible coordination on monetary policy.

These are all essential reforms in monetary and economic policy. I urge my colleagues to join with me in supporting passage of Resolution 133.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. PROXMIRE. Mr. President, as I understand it, the committee amendment is pending; is that correct?

The PRESIDING OFFICER. If there being no further amendment, the question is on agreeing to the committee amendment in the nature of a substitute.

Mr. PROXMIRE. As I understand it, if the Senator from Texas and the Senator from Wisconsin both yield back their time, we would be able to vote on the committee amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. TOWER. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the committee amendment in the nature of a substitute.

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

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

Mr. PROXMIRE. Mr. President, it is my understanding that the acting majority leader has agreed that the rollcall vote on this matter should go over until 3:30, or 3:45.

The PRESIDING OFFICER. If the yeas and nays are ordered, that would be correct.

Mr. TOWER. I am willing to let it go by a voice vote.

Mr. PROXMIRE. 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. TOWER. 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. TOWER. Mr. President, I ask unanimous consent that the vote on House Congressional Resolution 133 be postponed until the hour of 3:45 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is the request?

Mr. TOWER. A request that the vote on this concurrent resolution be postponed until 3:45, pending a request for the yeas and nays.

Mr. ROBERT C. BYRD. No objection.

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

ORDER FOR 10-MINUTE ROLLCALL VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all rollcall votes that follow in immediate sequence of the initial rollcall vote today be 10-minute votes.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Reserving the right to object, is that all right with our side?

Mr. ROBERT C. BYRD. I am talking about the votes that follow in immediate sequence after the initial rollcall vote.

Mr. TOWER. I have no objection.

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

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 326, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, beginning on line 8, to insert a new section, as follows:

SEC. 2. There is authorized to be appropriated $1,500,000 to aid in the transition of the Mariana Islands District to a new Commonwealth status as a territory of the United States: *Provided, however,* That no part of such sum may be obligated or expended until final agreement between Marianas Political Status Commission and the United States has been approved by the Congress.

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 section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is amended by deleting "and for each of the fiscal years 1974 and 1975, $60,000,000" and inserting in lieu thereof the following: "for fiscal year 1975, $65,650,000:"

SEC. 2. There is authorized to be appropriated $1,500,000 to aid in the transition of the Mariana Islands District to a new Commonwealth status as a territory of the United States: *Provided, however,* That no part of such sum may be obligated or expended until final agreement between Marianas Political Status Commission and the United States has been approved by the Congress.

Mr. ROBERT C. BYRD. 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.

PROPOSED LEGISLATION TO RESTRUCTURE FEDERAL AIRPORT AND AIRWAY DEVELOPMENT PROGRAMS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting proposed legislation to restructure existing Federal airport and airway development programs, which was referred, by unanimous consent, jointly to the Committee on Commerce and the Committee on Finance. The message reads as follows:

To the Congress of the United States:

In my fiscal year 1976 Budget Message, I stated that my Administration would transmit legislation to restructure existing Federal airport and airway development programs. Following extensive consultations with members of the Congress, State and local governments, aviation groups, and others, I am today sending a comprehensive legislative program to the Congress.

To help ensure continued improvement in the safety and efficiency of the Nation's excellent air transportation system, this program will extend for five years the 1970 Airport and Airway Development Act to provide funding authorizations for fiscal years 1976–80.

As an additional step to enable State and local officials to plan and to manage Federal airport assistance effectively, this bill would establish a multi-year, predictable formula to allocate the bulk of the aviation grants funds directly to States and local airport sponsors. This formula approach, coupled with other features of this bill which provide more flexibility in the use of Federal assistance, will enable State and local officials to address *their* highest priority airport needs while reducing burdensome Federal red tape. I am also proposing removal of federal restrictions which currently prevent State and local governments from imposing certain airport taxes.

One of my principle goals is the establishment of strong partnerships among Federal, State and local governments in the execution of national domestic programs. Consistent with this goal, this legislation provides for gradually increasing the responsibility of the States in the general aviation program. With many States using new general aviation facilities to stimulate community development, this is an appropriate step at this time.

The legislation I am proposing today also includes a separate measure to ad-

just the revenues accruing to the Airport and Airway Trust Fund. These adjustments are designed to generate financial contributions from the users of the aviation system which more equitably match the system benefits they receive. In this connection, I am requesting that user revenues also finance the direct costs of maintaining air navigation facilities.

I commend the Congress for initiating hearings on this important problem and for its prompt attention to the extension of the airport and airway development program. I have asked Secretary Coleman to work closely with the Congress to insure speedy enactment of the aviation program I have proposed to meet the challenges of a growing America.

GERALD R. FORD.

THE WHITE HOUSE, *March 17, 1975.*

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the message from the President of the United States relating to airport and airway development programs be jointly referred to the Committee on Commerce and the Committee on Finance.

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

QUORUM CALL

Mr. ROBERT C. BYRD. 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 unanimuos consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

ORDER FOR YEAS AND NAYS ON PASSAGE OF HOUSE CONCURRENT RESOLUTION 133 AND S. 1172

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order at any time, with one show of seconds, the yeas and nays on final passage of House Concurrent Resolution 133, as amended, and S. 1172.

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 second assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR—S. 326

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Harrison Loesch, Doug Smith, Jim Beirne, and Dan Dreyfus of the Interior Committee staff be accorded the privileges of the floor during the debate on S. 326.

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

Mr. McCLURE. Mr. President, I ask unanimous consent that Mr. Fred Craft have the privileges of the floor at all stages of the proceeding.

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

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The Senate continued with the consideration of S. 326 to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Terrritory of the Pacific Islands.

Mr. JOHNSTON. Mr. President, on February 19, the Committee on Interior and Insular Affairs met in an open markup session and unanimously ordered S. 326, as amended, reported favorably to the Senate.

S. 326 was introduced to provide critically needed fuel supplies and medical services to the people of the Trust Territory of the Pacific Islands which the United States administers pursuant to the 1947 trusteeship agreement with the United Nations.

In September of last year, the administration submitted legislation to provide additional funds for capital improvement for fiscal year 1975 and fiscal year 1976 and $1.5 million to aid in the transition of the Marianas Islands District to a new Commonwealth status. The legislation was the subject of an open hearing on September 25 of last year. During that hearing, representatives from the Department of the Interior's office of Territorial Affairs and from the Micronesian status negotiations team were questioned concerning both the capital improvement program and the Marianas status. Senator Bailey Olter and Congressman Raymond Setik, Cochairmen of the Joint Committee on Program and Budget Planning of the Congress of Micronesia also appeared.

Partially as a result of the hearing, the committee requested the staff to conduct an investigation into the management of the public works program in the trust territory and report their findings and recommendations to the committee. The staff team spent over 150 man days in the trust territory visiting each district, conducting onsite inspections of the capital improvements and discussing the needs of the various districts with district administrators, members of the district legislatures and Congress of Micronesia, and local people. The report of the staff has been submitted and was the basis of oversight hearings conducted on February 10 and 12 of this year.

In part, the staff reported that a portion of the original supplemental authorization request was for critically needed fuel and medical supplies. The specific items are listed on pages 3 and 4 of the committee report on S. 326. The committee is concerned over the present capital improvement-public works program, but feels that the enumerated items—medical supplies and referrals, fuel supplies for operations and maintenance, the Yap hospital, and dispensary matching funds—should be approved now as these funds are critically important.

With respect to the $1.5 million authorization for transition of the northern Marianas, the administration originally requested that the funds be made available upon the signing of the covenant. Mr. James Wilson, U.S. deputy representative for Micronesian status negotiations was questioned during the September 25 hearing. Prior to that hearing, on September 12, 1974, the full Interior Committee was briefed by Ambassador F. Haydn Williams, the President's personal representative for the Micronesian and Marianas political status negotiations.

When the committee considered S. 326, it also discussed the advisability of acting on the $1.5 million transition request prior to the plebiscite on the covenant by the people of the northern Marianas and action by the U.S. Congress. The committee felt that if the covenant is approved by the Marianas people and ratified by the Congress, then the money would be needed. The committee recognized the inherent delays which would occur if action on the authorization were withheld until after Congress had reviewed the covenant. Delays could occur in committee, in floor action, in awaiting the next budget cycle before the Appropriations Committee could act. The committee therefore provided that the funds should be authorized and appropriated but could not be expended until the Congress had approved the covenant. In this way, no commitment is made with respect to the Congress deliberation and decision in the proposed covenant, and at the same time, the needs of the Marianas people will be provided for quickly if Congress does approve the covenant.

Mr. President, I yield the floor.

Mr. FONG. Mr. President, I wish to express my strong support of S. 326 to increase the authorization ceiling for the continuance of the civil government of the Trust Territory of the Pacific Islands and also to authorize $1,500,000 for expenses in connection with the transition of the Mariana Islands district to a commonwealth status.

I had an opportunity last year to visit Micronesia and to become more acquainted with the leaders and the people of the trust territory. My interest and concern for the progress and advancement of the Micronesians go back many years, so I was pleased to note the movement for closer association of the Micronesians with the United States.

The sentiment for closer ties was especially strong in the Marianas district. There, the Marianas Political Status Commission has negotiated a commonwealth status agreement with Ambassador F. Haydn Williams, the President's personal representative in these talks.

The negotiations provided the Marianas people with the opportunity to express themselves, through their status commission, their deep-felt desire to or-

ganize a commonwealth form of government. I regard it as a very favorable reflection on the United States that the Marianas people, of their own free will, wish to be closely associated as a Commonwealth with our Nation.

The people of Marianas, like the rest of the Micronesians, have been under the civil administration of the United States since 1947. We have encouraged them to develop as a self-governing people. They are not under any orders from our Government to select this or that particular political status; that decision is left to the Micronesians themselves to make.

Since the Marianas people have indicated, before any of the others, which type of status they wish, it is only proper and appropriate for the United States to take cognizance of their wishes. We are told that the Micronesians in other districts are seeking other forms of political status. That is not surprising, since the trust territory encompasses peoples of diverse economic, social, and cultural backgrounds.

But inasmuch as the Marianas people wish to move toward a Commonwealth status and have authorized their negotiators to conclude such an agreement with the United States, let us not discourage them from proceeding in that direction.

The Marianas leaders have appealed to the U.S. Senate to support the authorization contained in S. 326 for $1.5 million to aid in the transition of the Mariana Islands District to a new commonwealth status. The Senate Interior Committee has approved the proposed authorization in S. 326 as a means of expediting the funding of expenses involved in the transition—activities such as a constitutional convention, a referendum, and a political status plebiscite.

I wish to emphasize, as the Interior Committee does in its report on S. 326, that approval of this specific authorization is not intended in anyway to affect the ultimate decision which has to be made by this Congress with respect to the status agreement negotiated for the Marianas. Therefore, as the committee properly points out, the authorized sum may not be expended until the U.S. Congress has approved the convenant. But our approval today of the authorization would expedite the process of determining the political future of the Micronesians.

To reject this authorization would be to tell the Marianas that we disapprove of what they have done to seek political self-expression. I, for one, want the Micronesians to know I support them in their desire to become a Commonwealth of the United States. Therefore, I ask my colleagues to approve the Interior Committee's version of S. 326, providing for the $1.5 million authorization for the Marianas transition, as well as the overall authorization ceiling of $65,650,000 for fiscal year 1975 for all of the Trust Territory of the Pacific Islands.

The PRESIDING OFFICER. The clerk will state the committee amendment.

The second assistant legislative clerk read as follows:

On page 1, line 8, insert a new section 2.

Mr. JOHNSTON. Mr. President, I move the adoption of the amendment.

Mr. GARY W. HART. Mr. President.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. GARY W. HART. Mr. President, I offer an amendment numbered 73 to S. 362 and ask that amendment be made the immediate business of the Senate.

The PRESIDING OFFICER. Is this an amendment to the committee amendment?

Will the Senator please send his amendment to the desk?

The clerk will state the amendment.

The legislative clerk read as follows:

On page 1, beginning with line 8, strike out all down through and including line 4 on page 2.

The PRESIDING OFFICER. The amendment is not in order.

The question will recur on the committee amendment, not in striking——

Mr. GARY W. HART. Mr. President, I withdraw my amendment for the time being.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is now on agreeing to the committee amendment.

Mr. GARY W. HART. Mr. President, I have an inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GARY W. HART. Mr. President, I am confused as to whether it is timely to introduce my amendment at this point or later.

The PRESIDING OFFICER. The Senator's amendment would not be in order. It is the Chair's understanding the Senator opposes the committee amendment and will be in opposition to the committee amendment, but the Senator cannot strike an amendment that has not been agreed to at this point.

The amendment is not in order.

Mr. JOHNSTON. Mr. President——

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, as I understand the amendment of the Senator from Colorado, it would strike the language which was added by the total of the committee amendment. Would it not be correct that the Senator from Colorado could achieve the same end simply by opposing the adoption of the committee amendment which is now the pending business?

The PRESIDING OFFICER. The Senator is correct. That is what the Chair has stated. The Senator could oppose the committee amendment which has not been adopted at this point.

Mr. ROBERT C. BYRD. Mr. President, would the Senator allow me to suggest the absence of a quorum without his losing his right to the floor?

Mr GARY W. HART. Yes, I do.

Mr. ROBERT C. BYRD. 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. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Chair informs the Senator from Virginia, the unanimous-consent of a minute ago was that the Senator from Colorado would not lose the floor, so if the Senator from Colorado will yield——

Mr. HARRY F. BYRD, JR. Will the Senator from Colorado yield?

Mr. GARY W. HART. I yield to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Mr. Peter Hughes of my staff be granted privilege of the floor during the discussion of this matter.

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

Mr. HARRY F. BYRD, JR. 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. GARY W. HART. 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. GARY W. HART. Mr. President, I ask unanimous consent that Mr. Ed Miller of my staff be permitted the privilege of the floor for purposes of discussion of this amendment and debate.

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

Mr. GARY W. HART. Mr. President, the key point at issue now is not the question of whether the Marianas should or should not become American possessions. The question is whether the decision on this matter will be made by the administration without the full and appropriate participation of Congress. The Senate's failure to strike section 2 of Senate bill 326 will be construed as tacit approval of the administration's ongoing process of incorporating the Mariana Islands into the United States. Here is what will happen:

The administration will spend money "educating" the people of the Marianas about advantages of joining the United States. Then our tax money will be spent to hold a plebiscite in the Islands on the issue. Next public funds will be used to set up a Marianas government separate from the Micronesia Trust Territory government under which we now supervise all the islands in the Pacific that the United Nations has given us to administer.

Then, and only then, will Congress get a chance to consider the agreement which the executive branch signed with the Mariana Islands on February 15 and submitted to the voters in the islands. That agreement calls for the Marianas to become a Commonwealth of the United States with a status similar to Puerto Rico or the Virgin Islands.

Should Congress balk at any facet of this agreement, the administration is likely to say no change is possible because the islanders have already voted on the pact. You will be told that we have a commitment to go through with the agreement as is, or reject it entirely.

We will not be in a position to shape this agreement and incorporate the suggestions of Congress—rather we will have become prisoners to it.

It might interest you to know how far along this process of acquiring the Marianas as a territory has gone already.

The agreement I mentioned, signed February 15, is a covenant with a provisional government of the Marianas that will lead to our acquiring our first new foreign territory since the Virgin Islands were purchased in 1917.

Preparations are already underway to hold the plebiscite in the Marianas on the covenant; an election scheduled for June of this year. Should the citizens of the Marianas ratify the covenant, a new territorial government will be established in the islands, according to the President's special Ambassador to the area, F. Haydn Williams.

There is another interesting facet of section 2 of the bill. The administration's request for $1.5 million in transition funds includes a portion of the funds to be spent for the plebiscite and other ongoing activities. The Interior Committee changed this section, however, providing that the funds could not be spent until Congress has approved the agreement with the Marianas. That appears to be a wise precaution by the Interior Committee.

But this rider will not halt continuing process of incorporating the Marianas Islands into the United States.

Let me emphasize again that the result of all actions by the executive—some planned, some already taken, is that Congress will be presented with a territorial government created pursuant to a covenant signed by this country which then we will be asked to take or leave.

This whole procedure raises serious questions of domestic and foreign policy that I believe Congress should consider before we proceed any further down the road to making the Marianas Islands part of the United States.

These are some of the questions I hope can be discussed.

First, should we be creating a new group of American citizens? It is true that they will have to pay income taxes and other fees, but, unlike the rest of us, the money will be kept in the islands for local use. In other words, the Marianas will not be paying a penny for defense programs, welfare programs, and many other social service programs that eat up our taxpayers' dollars. Furthermore, the islanders would be eligible for many other existing Federal benefits. To add insult to injury, those moneys earmarked for direct grant assistance to the islands will be considered local revenues of the islands for purposes of obtaining matching Federal grants.

A whole second series of costs are set forth in the covenant. The covenant is, in fact, an authorization bill for 7 years of Government spending. The $1.5 million in transition funds is only the nose of the camel under the tent. The covenant commits the United States to pay nearly $20 million to lease land for a military base that the Defense Department has no plans to construct. The islands will receive another $98 million over 7 years, which, as I mentioned, will be subject to matching Federal grants.

We are talking about a total dollar expenditure of approximately $9,000 for every man, woman, and child in the Mariana Islands. That may be a grand arrangement for our potential new citizens. Indeed, the letter sent to you by the Marianas Political Status Commission emphasizes this point. But we ought to question whether this is a good arrangement for our current taxpayers. Perhaps this is a simple case of the United States taking into the fold as new citizens some worthy islanders who wish to join us. What a fine precedent we may be creating by embracing any island or even nation which wishes to be made part of America. All they would require is support by the administration or the Pentagon.

There are also important questions of foreign policy which I believe that Congress should consider before continuing with the acquisition of the Marianas.

First, the United States negotiated and signed with the Marianas over the objections of the larger legislature which governs the entire Micronesian Trust Territory. Since we must terminate the trusteeship for all of Micronesia at the same time, and since arrangements must be made for the remaining islands, disregarding the Micronesian legislature appears to be a poor start.

Second, should we approve the Marianas as a U.S. commonwealth, we could find ourselves receiving sharp criticism in the world community because we have unilaterally carved out a colony out of the Micronesia Islands which we administer under a United Nations Strategic Trusteeship. A single veto in the U.N. Security Council at some later date could call into question the entire acquisition of the Marianas.

Third, if we choose to ignore the United Nations in our acquisition of the Marianas, it will lead us into the tangled thicket of international law. It is a maxim of international law that agreements between two parties can be legitimately terminated only upon mutual consent. By unilaterally taking over the Marianas, we would be ignoring one of the parties to the trusteeship agreement—the United Nations.

Congress may also want to inquire into the strategic and military value of the Marianas, located just 100 miles from our huge military complex on Guam. The islands appear to have minimal military or strategic value. Even though we are proposing to lease a huge tract of land on the islands for a military base, there are no Department of Defense plans to construct a base there. The Pentagon has temporarily abandoned any plans to construct a base and has requested no funds for this purpose in fiscal year 1976.

To the extent that the Marianas can or should play a strategic defense role must be fully identified by the Department of Defense and justified to the appropriate committees of Congress. If however, the Pentagon can show the Marianas to be of compelling strategic value, would breaking them off from the hundreds of other islands of Micronesia be the best way to protect them? The answer is clearly "no" because the Marianas' dismemberment plan will encourage separatist moves in other Micronesian island groups, and who can say what deals they may make with countries hostile to the United States? The Marianas might end up cut off from easy access to the United States, making them a strategic liability rather than a strategic asset. Furthermore, as trusteeships under our control, we can do just as we like militarily in all the islands. Making them a Commonwealth does not improve the Pentagon's position.

Further, in acquiring the Marianas, we may also find ourselves incorporating into the United States a government already riddled with corruption.

Current hearings before the Senate Interior Committee have revealed just how badly the islands are being governed and suggest that the new infusion of money is not going to improve matters.

These are some of the issues that I believe should be considered by Congress before proceeding further on this dubious acquisition of a new territory of the United States.

By voting to strike section 2 of this bill, the Senate will be signaling that it is time for the executive branch to consult with Congress before making important foreign policy decisions.

Finally, Mr. President, the issue has broad foreign policy and strategic consequences. We are deciding whether we want to create an entity having commonwealth status, the first property we have acquired in the Pacific since 1898, the first property we have acquired anywhere since 1917. We are deciding if we should be under the obligation to these people for their defense and if we should commit ourselves to a citizenship arrangement for these people.

If we vote this $1.5 million today, I am firmly convinced that by the time the full arrangement comes back to the Senate for approval it will be in the form of a fait accompli which will be argued as not debatable at that time.

Mr. JOHNSTON. Mr. President, I would like to ask the distinguished Senator from Colorado a question or two to be certain we understand what is involved here.

Does the Senator understand that not 1 cent of the $1.5 million can be spent until after, first, there is the plebiscite in the Marianas, whereby the people there freely express their own approval and will have a chance to vote on it and approve it?

And then, only after the agreement is discussed, debated, hearings held, and the Congress of the United States approves the agreement, can the money be spent.

Does the Senator understand that?

Mr. GARY W. HART. My response is yes, that is the case. However, the report of the distinguished Senator's committee points out that some $50,000 of this money has already been spent or will be spent upon the passage of S. 326, presumably for the education of the islanders leading up to the plebiscite.

So we are, in fact, again putting the cart before the horse in terms of authorizing this appropriation.

Mr. JOHNSTON. I would suggest that—at least the staff advises me that—no part of that $1.5 million will be spent until approval both by the people of the Marianas and by the people in Congress, and it is so stated.

The committee report states that, "The adoption of this amendment is not intended in any way to affect the ultimate decision which has to be made by the Congress of the United States with respect to this agreement."

It is specific language put into the report to make it clear that the approval of this amendment is not in any way to be an implied approval or putting the cart before the horse but, rather, to have the money there to be spent quickly and expeditiously in the event that the Congress does finally approve it.

Mr. GARY W. HART. In response to the Senator's question, I think there are very few instances, to my knowledge, in which the Senate of the United States, or the Congress, authorizes money to be spent on the condition of an event happening which has not yet happened.

It seems to me clearly a case of taking a step out of sequence and putting it earlier in the procedure than it should exist.

The proper sequence is to conduct the plebiscite and then to see if the Congress, after debating the merits of this issue, wants to go ahead and take the next step in setting up a transitional government.

What will happen is there will be no discussion or no debate between the occurrence of the plebiscite and the establishment of a transitional government.

We will have a government in being over there to take the step between the trusteeship and the commonwealth before we have even decided whether we want them as a commonwealth.

Mr. JOHNSTON. If the Senator will yield, I think the Senate may be confused that money can be spent after the plebiscite passes. It cannot be spent at that point, but only after the Congress approves the covenant.

The Congress, of course, will not approve it until we have had full-scale hearings and full-scale debate.

I would agree with the Senator that we should not impliedly approve this covenent before it is presented to us for doing so.

That is precisely what the committee had in mind by putting language in the report to affirmatively state it.

Mr. GARY W. HART. If the Senator will yield, if the matter does come back to the Congress after the plebiscite for full hearings, discussions, and debates, I think that would be the perfect time to seek the appropriation for the transitional government.

I do not understand how it benefits the American people to authorize this amount.

Mr. JOHNSTON. Frankly, this is not the most weighty decision the Congress will make this year. But the reason for authorizing it now is mainly one of time. We would have the money available so that the plans could be made in advance and we would not have to wait for the appropriation process, for the length of time it might take if we delayed until after approval of the covenent.

That is the only reason for getting the approval now. There is no thought at all of any implied approval by authorizing this $1.5 million. There is no thought at all of that. If a separate government is set up in the Marianas—keeping in mind the present Micronesian legislature meets in Saipan, a part of the Marianas—immediately and without delay you have to have facilities for government.

That is the only reason for authorizing this funding in advance.

I would assure the Senator, as the report does, that the simple expediency of having $1.5 million approved or authorized under these contingent conditions is not at all to be interpreted as action by the committee to try to get an implied approval of the covenent.

Mr. GARY W. HART. If the Senator will yield, I fear and feel the freight train coming down the tracks, and it is picking up speed.

It occurs to me that we might consider authorization of this money along with the approval of the covenant, which is what I was trying to suggest. The covenant is, in fact, an authorization bill, by its very nature.

All I am attempting to do here today is to call the attention of the Senate and Congress and the people of this country to a sequence of planned steps which I find very few people aware of. I think the implications are very serious for this country and for our foreign and military policy.

All I am trying to do is to make sure that everybody who votes on this measure today knows that we are advancing the matter another two or three steps down the road, and it will not be fully debated until 6 months or a year from now, or later. But then an argument will be made: "Well, you authorized the creation of a transitional government, and we cannot turn back now."

Mr. JOHNSTON. I appreciate the Senator's sentiments. I think the status of the Mariannas is a weighty decision and a very important one for this country. When we present that bill to Congress for approval, it will involve a long-term commitment on the part of this country. There is no question about that.

I think the Senator is correct that these islands never will be self-sufficient, unless some new source of income is discovered. I really do not think the administration has made these predictions of prosperity. If they have, then, in my judgment, they are faulty.

These islands are going to be the wards of someone for some kind of support for a very long time to come—that is to say, unless they revert to a coconut economy, and no one there wants to do that, I can assure the Senator.

Nevertheless, in my judgment, we do have some real responsibilities, part of them having been incurred through history and part by our own undertaking of the 1947 U.N. trusteeship.

I think it is appropriate that when we bring this covenent before the Congress for debate, we do have these full scale hearings which will, first of all, inform Congress of what the extent of its obligation is and, second, involve Congress and the American people in the debate and dialog on whether we should undertake that responsibility. In my judgment, we should; and I think that question is properly put off until another day, when the question does present itself.

Mr. GARY W. HART. If the Senator will yield—and I am going to yield to others who may wish to speak on this matter—I have a final observation.

We are taking steps here today—or it is proposed that we take steps here today—that I feel are, for all practical purposes, irreversible. I have yet to see one argument in any of the documents I have examined as to how this is in our national interest. I have heard no statement of why it is best for the United States of America to accept these islands as a new commonwealth. I think that if we do get the hearings down the road, that kind of argument will have to be made before the Senator from Colorado—and, hopefully, others—will approve of the final process.

Mr. JOHNSTON. I hope we will debate that at some length. I hope that, in the meantime, the Senator from Colorado could give us some viable alternatives and options. I suggest that independence for these islands might not be one such option. It might not be such an option because I think our strategic interests lie otherwise than with independence and because our responsibility to these people dictates that we continue to give them the kind of support we have given in the past.

Mr. GARY W. HART. That is exactly my argument. The case just made by the Senator from Louisiana has not been made for the record, to my knowledge. It has not been shown that it is in our strategic interest.

(At this point, Mr. GLENN assumed the chair.)

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I am glad to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. First, let me say that with respect to any proposal submitted by the distinguished Senator from Louisiana, I start off 95 percent in favor of it.

Mr. JOHNSTON. I thank the Senator.

Mr. HARRY F. BYRD, JR. I do have some doubts about the committee amendment and about the ultimate proposal.

If, in fact, the money is not to be spent until Congress ratifies the proposal for commonwealth status, then what good does it do to authorize the money at the present time?

Mr. JOHNSTON. It is simply a matter of expedition of funding. The committee never intended, and has affirmatively put in the record that approval of this measure is not to be considered an implied approval of this covenant.

Mr. HARRY F. BYRD, JR. But could not the appropriation be made simul-

taneously with the ratification, if Congress does intend to ratify it? The appropriation could be made simultaneously. There would be no holdup then.

Mr. JOHNSTON. This is only the authorization. This is not the appropriation.

Mr. HARRY F. BYRD, JR. Could not the authorization be made at the same time?

Mr. JOHNSTON. It would be a question of time. I believe that this expedites the matter, in that the authorization will ripen into a real authorization upon the approval of the covenant by Congress. I think it would be possible to do it another way; but just as we do not want to imply by this amendment that we are approving the covenant in advance, by the same token, we do not want to imply a disapproval. I think that the action of the Senate, should we disapprove the committee amendment, would be interpreted as a disapproval of the covenant in advance, without hearings.

Mr. HARRY F. BYRD, JR. I do not quite follow that, because it was not a part of the bill. It was put on as a committee amendment.

Also, the committee report says that the amendment authorizes an appropriation of $1.5 million for a special program of transition which will include, among other things, a constitutional convention, a referendum, a political status plebiscite, a political education program, and so forth.

Will not the plebiscite take place before the proposal comes before Congress?

Mr. JOHNSTON. Yes. The plebiscite will take place first, and the people of the Marianas must approve of the compact prior to a formal submission to Congress.

Mr. HARRY F. BYRD, JR. The committee report says that this $1.5 million will be available for the plebiscite.

Mr. JOHNSTON. A portion of it would reimburse the cost of the plebiscite to the Marianas.

Mr. HARRY F. BYRD, JR. Then, we are making a commitment to them to reimburse the Marianas for part of the cost of a plebiscite, if we adopt this proposal.

Mr. JOHNSTON. As I understand it, only if the plebiscite is successful and Congress ultimately approves the covenant.

Mr. HARRY F. BYRD, JR. I want to be careful of my choice of words. Is that not, in a sense, putting pressure on the islanders to vote a particular way? Because if they vote the way that presumably we want them to vote—or some want them to vote—they will get part of their costs reimbursed.

Mr. JOHNSTON. I think not, because I think the United States will pick up the cost of that plebiscite, in any event. Indeed, I believe we should.

But let us not kid ourselves that there is a significant independent source of funds out there. There really is not. The major source of funds is the United States.

Mr. HARRY F. BYRD, JR. Then, as I understand it, this will be used to help finance matters that take place and expenditures that take place prior to the time the U.S. Government ratifies—if it does—the commonwealth status of the Marianas.

Mr. JOHNSTON. Just in the one instance, a very small part will go to reimburse the cost of the plebiscite. Otherwise, it would finance matters to take place subsequent to the approval of the covenant by Congress. In fact, the financing of the plebiscite is already being done by the United States.

Mr. HARRY F. BYRD, JR. Even without authorization?

Mr. JOHNSTON. The State Department is doing that, as I understand it.

Mr. HARRY F. BYRD, JR. Why is Congress involved in it at all, then, if the State Department can go ahead and do whatever financing they wish?

Mr. JOHNSTON. It is only going forward with the plebiscite, which is a very small part of this cost. The amount involved for the plebiscite is only some $50,000.

Mr. HARRY F. BYRD, JR. I thought Congress, according to this report, has to give authorization. Now we find that the State Department can do it on its own.

Mr. JOHNSTON. I am informed that the State Department has the authority to put up the $50,000 for the plebiscite. I am sorry that I cannot tell the Senator under what section of the law that is authorized, but I am so informed by the staff.

Mr. HARRY F. BYRD, JR. Let us, then, get to the merits of the proposal. The Senator from Virginia has not been able to understand just why it is in the interest of the United States to give commonwealth status to a number of islands, small islands, in the Pacific, with a total population of 13,000 or 14,000 scattered over thousands and thousands of miles, and assume the responsibility for their protection.

Mr. JOHNSTON. The United States presently has responsibility for the protection of the islands under the 1947 U.N. trusteeship. These islands, as the Senator knows, were the subject of a tremendous amount of fighting in the Pacific. The Senator will recall the familiar names of Truk and Peleliu and Saipan, islands that were considered in the Second World War to be very strategic, they line the shipping lanes from the Middle East, and are still considered to be very important.

We really have a responsibility right now, today, and we have undertaken that responsibility since 1974.

Mr. HARRY F. BYRD, JR. I am aware of that. The United States has, do we not, the responsibility for not only the Marianas today, but the Marshalls and the Carolines?

Mr. JOHNSTON. That is correct.

Mr. HARRY F. BYRD, JR. The proposal that will be brought before the Senate at a subsequent date will involve only the Marianas?

Mr. JOHNSTON. That is correct. There are negotiations, going on with the rest of Micronesia, as well.

Mr. HARRY F. BYRD, JR. To give the rest of Micronesia commonwealth status also?

Mr. JOHNSTON. That is one of the options being discussed.

One of the problems involved is who should decide what is good for the Micronesians. That has been a matter of some debate in our committee and with the Department of State and with the administration. We will be faced with a problem of what we do if the Marianas come in and indicate their wishes and their desires. Do we say, No, we, the United States, under our U.N. trusteeship, which obligates us to move them toward self-government—are we to say that self-government does not mean self-government for the Marianas separately or that all of Micronesia must be involved? We believe that it is an appropriate response to the obligation of moving them toward self-government to have that self-government originate with the Marianas.

Mr. HARRY F. BYRD, JR. Why not give them independence?

Mr. JOHNSTON. First of all, they have indicated that they do not want independence. Second, we believe that we have a dramatically important strategic interest.

Mr. HARRY F. BYRD, JR. From a military point of view?

Mr. JOHNSTON. Yes, from a military point of view, particularly denying these islands to the Soviet Union is of extreme strategic importance.

Mr. HARRY F. BYRD, JR. May I say that if giving the Marianas commonwealth status denies the Marianas to the Soviets, and we do not give commonwealth status to the Carolines and we do not give commonwealth status to the Marshalls and we not give commonwealth status to the Gilberts, all of which are involved in that central area of the Pacific, we are only taking one-fourth of the total islands and areas there to protect ourselves, if indeed, we need them for protection.

Mr. JOHNSTON. Does the Senator understand that the rest of Micronesia is now under that U.N. trusteeship?

Mr. HARRY F. BYRD, JR. I understand.

Mr. JOHNSTON. Which charges us with the responsibility.

Mr. HARRY F. BYRD, JR. We are beyond that now, are we not?

Mr. JOHNSTON. Once this covenant reaches Congress, and really, it is not before us today——

Mr. HARRY F. BYRD, JR. I understand, but today's legislation ties in with it and that is why I think it should be a matter for discussion.

Mr. JOHNSTON. Once this covenant reaches us and we approve it, if indeed we do so, then the rest of Micronesia will continue to be under the U.N. trusteeship.

Mr. HARRY F. BYRD, JR. But the Senator wants to change that status, I assume, for the future. He does not want to continue it indefinitely under the U.N. trusteeship?

Mr. JOHNSTON. That is correct, that will go on with the rest of Micronesia.

Mr. HARRY F. BYRD, JR. May be I do not understand it fully, but the point I am suggesting is that in order to deny, as the able Senator says, these islands to Russia, we shall have to, eventually, either give commonwealth status to all

the other islands or keep them under the U.N. mandate we now have, will we not?

Mr. McCLURE. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. Yes.

Mr. McCLURE. I think it might be helpful if we recited a little more historical background so we know not only where we are but where we have been, in an effort to see where we are going.

As the Senator from Virginia knows, this area of the Pacific was a large part of the battleground which was, at least for myself and the Senator from Virginia, our war. The Senator from Louisiana may have a reference to a different one, but it was our war and it was our comrades who bled and died in those islands and we have a very real interest in the military and strategic importance of those islands. I think pretty largely as a result of a statement made by President Roosevelt that the United States would not seek to gain one acre of territory out of World War II, we renounced any territorial claims and we, under an arrangement with the United Nations, turned these islands over to the United Nations for their guidance and direction.

They simultaneously then directed that the United States administer these under a trust arrangement. There was no cohesiveness, no identity, to Micronesia as such until we developed the term. They were disparate peoples on widely separated islands many of them hostile with one another. They had been warring for generations between themselves and it was only for our administrative convenience that we called it Micronesia and administered it as a whole.

Back in 1898, at the termination of the Spanish-American War, the United States purchased certain territories from Spain. One of those territories purchased was Guam. I suppose at that time, we did not know that Guam was part of a chain of islands and we thought that we had purchased all they had. Only we did not. We purchased Guam and they went ahead and sold the balance of the Marianas to Germany.

Following World War II, the League of Nations mandated that territory to Japan for administration instead of Germany. Up until World War II, that was their administrative background.

Following World War II, the United Nations then set up the trusteeship arrangement for the Marianas as well as the rest of the islands under what we then called Micronesia, and we excluded Guam from that because we had purchased Guam in 1898 from Spain.

The result was that the people in the Marianas had, at various time, sought reunification with Guam, their traditional and familial ties having been in the Marianas, including Guam.

Over the course of time and the evolution of their particular demands, their particular requests for status ended up in the current request, which comes not from us but from them, for a special status in relationship with the United States. The balance of Micronesia has made no such request to us. They may at one time or another. The Palau district, I understand, demands a different status. The Marshall Islands, perhaps, will seek separation. But so far, the congress of Micronesia, which is totally our creature—we imposed it on them—has said they do not desire to allow Palau and the Marshalls to split off from the rest of Micronesia.

But the Marianas peoples have consistently, for several years, sought a status different from that of the balance of Micronesia, first through reunification with Guam and, more recently, in this independent status that they seek under this commonwealth status.

I think in addition it is well to recognize a very significant economic difference between the Marianas and the balance of Micronesia. Much of Micronesia has developed absolutely no dollar economy. Their trading ties are relatively primitive. Their economic base is very undeveloped. They have had no opportunities in the past to do anything other than some trading in copra and some coquina shells. They hope to have some tourism. We have attempted, in the Palau district, to develop a fisheries industry for them.

All of these are fledgling economic growths, but they are not a basis for any real political independence.

The result has been that the United States has had the economic responsibility for the entire area. The Marianas have an economic base which is different, and a cutural and political basis which is different from the rest of the Micronesian territory, and they ask now to forge a different tie, under the United Nations trusteeship, with the United States.

We, under this particular action, seek to at least give them the opportunity to express their own wishes in self-determination of their own political status.

Mr. HARRY F. BYRD, JR., Mr. President, the interesting and excellent presentation of the Senator from Idaho of the history of that area brings many memories to the Senator from Virginia. I do not know how many Members of the Senate have served time on those islands. I served a great deal of time on Kwajalein and Eniwetok. I was executive officer of a patrol bombing squadron which flew patrols from Kwajalein and Eniwetok to Wake Island at that time.

The Senator from Louisiana mentioned Truk. The squadron mined the harbors at Truk. And then I spent a great deal of time on Saipan, including the Christmas of 1945.

I have an additional connection with Saipan. My wife's brother, a marine captain, Capt. Paul J. Thompson, Jr., of New Orleans, was killed in the invasion of Saipan. So there is a lot of history of those islands connected with the United States.

The reason why those islands were so important to the United States during World War II was that we were looking toward an invasion of our Pacific enemy, which at that time was Japan. We were island hopping, beginning in the Gilberts and then in the Marshalls, not so much in the Carolines, but then in the Marianas, and finally Okinawa.

So I have sympathy for the people of the Marianas. I have sympathy for all the people of Micronesia.

But the point I have not been able to get clear in my mind is whether it is logical and wise for the United States to assume the responsibility. We have it now under the trusteeship, but I think all of us feel that the trusteeship at one time or another, must come to an end.

Is it logical or wise for it to come to an end by the United States having the responsibility, not under a United Nations trusteeship, where presumably, although maybe that is a questionable assumption, we would have help from the United Nations if any difficulties arose there, but by cutting them loose from the United Nations trusteeship and taking the responsibility solely on our own?

If we are going to take the responsibility for the Marianas, it occurs to me that it would be just as well to take the responsibility for the Carolines and for the Marshalls. They all tie in together.

Mr. JOHNSTON. Mr. President, if the Senator will yield, we in effect have that responsibility right now under the U.N. trusteeship.

Mr. HARRY F. BYRD, JR. I understand that. But as I said, I was looking beyond that, because I think all of us want it to end. I think the committee on which the Senator from Louisiana serves is looking beyond that time, with the knowledge and belief that this U.N. trusteeship must eventually come to an end.

Mr. JOHNSTON. That is correct, and Congress undoubtedly will have to deal with the question at another time. For the time being, we really do not even have the issue of the Marianas before us.

Mr. HARRY F. BYRD, JR. Well, we have it before us in a peripheral way, because, as the Senator from Louisiana himself pointed out, adopting the committee amendment for $1.5 million will give encouragement to the people of the Marianas in their plebiscite.

Mr. JOHNSTON. The idea of this $1.5 million is simply to facilitate the transitional process, should the covenant be approved, and we have very clearly and affirmatively put in the report that this action will not prejudice the issue at all. We have been affirmatively clear on that.

Mr. HARRY F. BYRD, JR. The report is clear. But to get back to the merits of the case, is it the desire to build a military base in the Marianas? Is that the intention?

Mr. JOHNSTON. Yes, there are contingency plans to build an airfield on Tinian. There are some 700 residents, I believe, on Tinian. I would say this is not a firm proposal, but there are plans to acquire at least an option, as I recall, to build such an air base should it become necessary.

Mr. HARRY F. BYRD, JR. Yes; I think that is the basic reason, or at least that is what I assume to be the basic reason for the legislation which has been introduced.

Mr. JOHNSTON. Of course, the Senator understands we can do that at this time, under the UN trusteeship. We are charged with the defense of these islands, so we can do that now.

Mr. HARRY F. BYRD, JR. I want to emphasize that I realize that we have that responsibility under the UN trustee-

ship, but I think what all of us are looking toward is when we cease to have that obligation. The question is, when we get rid of our obligation or when we give a different status to those islands out there, what status do we give them? Many would prefer that they be given independence.

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

Mr. JOHNSTON. I yield.

Mr. McCLURE. The Senator from Virginia made a statement which I think should not be left on the record in the context it is given, and that is that the reason for this legislation is our desire to build an airfield on Tinian. That certainly is not the reason for the legislation. The reason for the legislation lies in the request of the people of the Marianias to do something about their permanent status, so they may know what to plan on.

Mr. HARRY F. BYRD, JR. But are we going to be in a position, when other countries, islands, and places want commonwealth status with the United States, that we say, "Well, those people want it, so we are going to have to make them a part of the United States"?

I would assume a great many countries and parts of the world would like to be a part of the United States. We have the highest standard of living of any nation in the world. We have the resources to help them to a degree that they cannot help themselves.

I just wonder whether we are prepared to undertake something that could, as the years go by, cause a great many problems. Why should we undertake their defense? Even though we have the responsibility under the United Nations trusteeship, if we are going to give that up eventually, why should we undertake the permanent defense of a multitude of islands 7,000 miles away from here? It just does not seem to me to be a very logical thing to do, and that is why I am concerned about something that could be considered the first step in that direction.

Mr. JOHNSTON. There are many reasons for undertaking that defense. One reason is that it is our historical responsibility, and one reason is that it coincides with the wishes of the people of the Marianas; but I would say principally it is because it is eminently in our own self-interest. These islands are strategically located. To have control over those islands, lying as they do at the gateway to the Pacific and on the shipping lanes from the Middle East, could be of very great importance to us.

Mr. HARRY F. BYRD, JR. May I ask the Senator, from the military and strategic point of view, which has the greater importance, in his judgment, the Marianas or Okinawa?

Mr. JOHNSTON. We, of course, do not have Okinawa any longer, and I have heard the Senator from Virginia very eloquently criticize our getting out of Okinawa. I do not intend to debate that question here today because the Senator does it much better than I.

But simply because we gave up Okinawa is no reason to give up other areas, namely the Marianas, which are themselves very important to us.

Mr. HARRY F. BYRD, JR. I just do not visualize the importance of the Marianas, or the Marshalls or the Carolines, for that matter, the military importance of those islands.

If our Government did not consider Okinawa to be important strategically and militarily, the greatest base in all the Far Pacific, then I do not see how there could be great strategic value in the Marianas.

As I say, I have lived on those islands. At Saipan, I was just a stone's throw from Tinian, because the two are virtually together.

Mr. JOHNSTON. If the Senator will yield, it may be——

Mr. HARRY F. BYRD, JR. They are not great islands, I will tell the Senator that. There are fine people on those islands. It is nice weather there, and the Quonset hut that I lived in was rather comfortable because the weather was comfortable. The sun was bright and the banana trees were close by, and it was a good beach.

But when you get into the strategic or military area, with an entirely different situation than the one which prevailed during World War II, I am not impressed with the strategic importance. Of course, any place or any area has some importance, I assume.

Perhaps the military can make a good case. That is why I think this whole legislation should go before the Armed Services Committee because it is built so much around—not entirely, as the able Senator from Idaho pointed out, not entirely—but so much around presumed strategic and military importance.

Mr. JOHNSTON. If the Senator will yield, I quite agree the issue should be considered by the Armed Services Committee, but not this particular bill.

Mr. HARRY F. BYRD, JR. No, not this particular bill.

Mr. JOHNSTON. Because this bill does not include any covenent. But when the covenent comes up we ought to have briefings within the Armed Services Committee.

Mr. HARRY F. BYRD, JR. In other words, the Senator feels the legislation with respect to the compact should go before the Armed Services Committee?

Mr. JOHNSTON. Yes, among other committees, as well. We already discussed that, as a matter of fact, that it ought to be considered by the Armed Services Committee because it is of strategic importance.

Mr. HARRY F. BYRD, JR. Well, that is fine.

Mr. JOHNSTON. I think the Senator is asking the key questions. The Senator, when he has the opportunity to hear the full briefings and to learn what the importance of these islands is, will concur that this is the right thing to do, not only in our own interests but in the interests of the Chamorro people of the Marianas and the interest of the responsibilities of this Nation. But that is a debate, I think, which properly ought to be put off until the issue comes clearly before Congress and until we do have the opportunity for those hearings.

Mr. HARRY F. BYRD, JR. I think the consequences can be so far reaching that it is well to debate it when the opportunity presents itself, and it presents itself on this particular bill because it deals specifically with the subject.

May I ask the Senator——

Mr. JOHNSTON. If I may just answer, if this report did not make it crystal clear that this action—approving this bill—was not to be construed as approval of the covenent in advance, then certainly this debate today has made it as clear as the noonday Sun on a cloudless day that this is no advance approval of the covenent for the Marianas.

I would yield, if the Senator has no further questions.

Mr. HARRY F. BYRD, JR. I do have further questions.

Mr. JOHNSTON. Yes.

Mr. HARRY F. BYRD, JR. Is it not correct that the Marshall Islands requested commonwealth status?

Mr. JOHNSTON. The negotiations with the Marshalls, as well as the Carolines, have been proceeding in general negotiations, and the Marshalls have not specifically asked for commonwealth status.

Now, there may well be discussion of commonwealth with the Micronesian team, but it would be incorrect to say that the Marshalls have formally asked for a separate commonwealth status for themselves.

Mr. HARRY F. BYRD. What about the Carolines?

Mr. JOHNSTON. The Carolines have not either.

Mr. HARRY F. BYRD, JR. I think the Senator from Idaho said that the Micronesian Congress would not allow a breakoff. I am not clear as to what, breakoff from whom or from what.

Mr. JOHNSTON. Since the Senator from Idaho made that statement, I will let him answer.

Mr. McCLURE. Will the Senator restate his question? I was busy on another matter.

Mr. HARRY F. BYRD, JR. I understood the Senator from Idaho to say that the Micronesian Congress would not permit a breakoff.

Mr. McCLURE. The Congress of Micronesia has expressed its opposition to the breaking away of separate districts in separate status. They have, the Congress of Micronesia has, expressed that.

Mr. HARRY F. BYRD, JR. Then, if we permit commonwealth status for the Marianas, we are going contrary to the Micronesian Congress because that Congress feels that the three entities should remain as one entity, although separately among themselves; is that not correct?

Mr. McCLURE. If the Senator will yield, the Senator is correct. But the Congress of Micronesia has made that statement. The political status commission of the Congress of Micronesia has been looking as a whole at the political status of the entire area.

Mr. HARRY F. BYRD, JR. That seems very logical to me.

I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President,

would the Senator from Louisiana, the Senator from Virginia (Mr. HARRY F. BYRD, Jr.) and the Senator from Idaho be agreeable to having a time limit on this measure now of 30 minutes, to be equally divided between Mr. JOHNSTON and Mr. HARRY F. BYRD, Jr., and that we temporarily set it aside until the two rescission resolutions are disposed of, which should not take too long?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, which I will not, it would be satisfactory to the Senator from Virginia, if it is satisfactory to the Senator from Colorado and the Senator from Louisiana, if we could set it aside now, and after the other business is taken up which the Senator from West Virginia has in mind.

Mr. JOHNSTON. Yes.

Does the Senator wish to set it aside?

Mr. ROBERT C. BYRD. Temporarily until the rescission resolutions are disposed of.

Mr. McCLURE. Mr. President, I have no objection.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. McCLURE. It may seem logical to those of us here because we have imposed a unity for our administrative convenience, but it may not seem quite so logical to the people of Micronesia who have never by themselves voted for a common status. The people in the South, in the Civil War, thought it made good sense to have a civil war to break away. The people in the North thought it would make good sense that they should not, and we have imposed in this country by majority will and by major force the decision of the North on the people of the South.

Mr. HARRY F. BYRD, JR. Just one comment and I will then yield to the Senator from West Virginia.

The Senator from Idaho mentioned the Civil war.

The point I am suggesting is does the United States want to get involved in a so-called civil war among those three Pacific areas? I do not particularly relish that position and it reinforces my belief that we should be careful how we involve ourselves in the problems of Micronesia.

Mr. McCLURE. Will the Senator from Louisiana yield, Mr. President?

Mr. JOHNSTON. Certainly.

Mr. McCLURE. No, I do not think we want to get involved in a civil war, and I do not think there is one brewing, but there is a disagreement, a difference of opinion, among the different political groups. The Palau district has indicated some desire to forge their own separate identity. As the Senator from Virginia has mentioned, that has been discussed in the Marshalls. The people of Yap have never been very satisfied that they were well-served by having joined this federation which we created for them and called Micronesia. That was ours, not theirs, so I think we are involved simply as a result of that, our presence there, during and at the end of World War II, and the United Nations trust territory order. It was not a matter of our own choice necessarily that we do so, although I am sure that we accepted that charge and responsibility willingly.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 4075, to be immediately followed, upon the disposition thereof, by consideration of H.R. 3260.

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

BUDGET RESCISSIONS

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill, H.R. 4075, to rescind certain budget authority recommended in the message of the President of January 30, 1975, and so forth.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments on page 2, beginning with line 17, delete the following:

CHAPTER III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations provided under this head in the Agriculture Environmental and Consumer Protection Appropriation Act, 1975, are rescinded in the amount of $500,000.;

And on page 3, beginning with line 1, delete the following:

CHAPTER IV

DEPARTMENT OF COMMERCE

UNITED STATES TRAVEL SERVICE

INTER-AMERICAN CULTURE AND TRADE CENTER

Appropriations provided under this head in the Supplemental Appropriations Act, 1967, are rescinded in the amount of $4,999,704.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, H.R. 4075 is the third rescission bill of 1975. This bill acts upon the recommendations of the President received on January 30, 1975, as printed in House Document 94–39. These recommendations were given extensive hearings and review. In addition, under the terms of the Budget and Impoundment Control Act of 1974, the Presidential proposals were modified by two communications from the Comptroller General contained in House Document 94–46 (Feb. 7, 1975) and House Document 94–50 (Feb. 14, 1975).

The Presidential message of January 30, 1975, contained 35 proposed rescissions which have not yet been acted on by the full Senate. Additionally one deferral was reclassified to a rescission by the Comptroller General.

The Committee on Appropriations is recommending approval of all or some part of three rescissions, and is recommending after careful review that 33 not be approved.

The estimated total of budget authority recommended to be rescinded in the bill is $10,955,000 including a partial rescission of $10,000,000 for the forestry incentives program in the Department of Agriculture and $955,000 for two foreign currency programs in the Department of Defense. This is $1,249,438,954 less than the amount available for obligation the day after the expiration of the 45-day period prescribed by law which is today.

Of the $1,249,438,954 that the committee is not recommending for rescission, some $936,030,250 is in 26 rescissions that the President proposed in the Labor-Health, Education, and Welfare areas. In addition the committee is also recommending that a proposed rescission of $125,000,000 in the Economic Development Administration for the job opportunity program not be approved.

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

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

Mr. YOUNG. Mr. President, I support the comments of my distinguished colleague and chairman of the Committee on Appropriations (Mr. McCLELLAN). We are considering today the second and third budget rescission bills for fiscal year 1975. These bills have been presented to the Congress by the administration in accordance with the provisions of title X of the new Congressional Budget and Impoundment Control Act of 1974.

In the case of H.R. 3260, which is the second budget rescission bill, we were asked to consider a total of 40 rescissions that were submitted to the 93d Congress and resubmitted to the 94th Congress. This bill and report reflects the recommendations of the Committee on Appropriations on these 40 rescissions. The committee is recommending approval of either all or some part of 28 rescissions and is recommending that 12 rescissions not be approved. This recommendation would rescind $185,412,940 of the $929,420,272 proposed for rescission by the administration. The majority of the funds recommended by this rescission, $120,600,000, is for defense. The remaining approximately $65 million is spread over various other agencies of the Government.

The committee did not recommend rescission of funds appropriated for aircraft procurement in defense. In this regard the committee received testimony that funds for these two aircraft procurement accounts—helicopter procurement for the Army and A–7 and F–111 procurement for the Air Force—had been obligated to the point that aircraft fuselages and other major components are partially constructed and would become Government property unfinished if the funds are rescinded. The witnesses that testified in this regard indicated that these aircraft are needed, would be utilized and in the long run would be more cost effective to finish procurement than to cut it off at this time. The committee believes that it would be prudent to sustain a warm production base for the F–111 aircraft pending final resolution of

production plans for the B–1 bomber. It has also been the committee's position and sustained by both Houses of Congress to procure A–7D aircraft to modernize the Air National Guard.

Although this second rescission bill demonstrates only token cooperation with the administration, I recommend its support to all my colleagues.

The third rescission bill 1975, H.R. 4075, contains 35 rescissions for which the Committee on Appropriations is recommending approval of all or some part of 3 rescissions and is recommending that 33 rescissions not be approved. The estimated total of budget authority recommended to be rescinded in the bill is $10,955,000. This is $1,249,438,954, less than the amount proposed by the President, which was $1,260,393,954. Of the $1,249,438,954 that the committee is not recommending for rescission some $936,-030,250 is in 26 rescissions that the President proposed in the Labor-HEW areas. The primary area of rescission recommended in this bill is in the areas of forestry incentive programs in which $10 million of the $25 million recommended would be rescinded. The only other area recommended for rescission is in the special foreign currency program for 1973 and 1974 in the Department of Defense. This would amount to $955,000.

Again, it can be seen that the amount of funds recommended for rescission in this bill is only a slight amount of that proposed by the administration.

Once more, it is apparent that only a small amount of the funds proposed for rescission by these two bills will be enacted by the Congress. This will increase the deficit which we heard today from the Director of OMB, which is already up to $55.5 billion, to some greater deficit, possibly in the area of $70 billion or more by the end of this fiscal year.

I recommend to my colleagues approval of these rescission bills.

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. McCLELLAN. Mr. President, I ask unanimous consent that the Senate amendments be immediately considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

Mr. McCLELLAN. Mr. President, I know of no amendment to be offered to this bill. If none is to be offered, third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 4075) was passed.

Mr. McCLELLAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET RESCISSIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 26.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A 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 in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93–391), transmitted pursuant to the Impoundment Control Act of 1974.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 3260) which had been reported from the Committee on Appropriations and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975, with amendments on page 2, beginning at line 5, insert the following new language:

CHAPTER I

DEPARTMENT OF AGRICULTURE

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

WATER BANK PROGRAM

Appropriations provided under this head in the Agriculture Environmental and Consumer Protection Appropriation Acts for 1974 and 1975 are rescinded in the amount of $15,712,000.

On page 2, in line 14, strike out "I" and insert in lieu thereof "II".

On page 2, in line 20, strike out "$20,500,-000" and insert in lieu thereof "$41,000,000".

On page 3, in line 1, strike out "$13,750,-000" and insert in lieu thereof "$27,500,000".

On page 3, in line 12, strike out "$20,000,-000" and insert in lieu thereof "$40,000,000".

On page 3, in line 18, strike out "$50,000" and insert in lieu thereof "$100,000".

On page 3, in line 20, strike out "$500,000" and insert in lieu thereof "$1,000,000".

On page 3, in line 21, strike out "$400,000" and insert in lieu thereof "$800,000".

On page 3, in line 22, strike out "$950,000" and insert in lieu thereof "$1,900,000".

On page 4, in line 1, strike out "$900,000" and insert in lieu thereof "$1,800,000".

On page 4, in line 7, strike out "$550,000" and insert in lieu thereof "$1,100,000".

On page 4, in line 12, strike out "$200,000" and insert in lieu thereof "$400,000".

On page 4, in line 17, strike out "$700,000" and insert in lieu thereof "$1,400,000".

On page 4, in line 23, strike out "$250,000" and insert in lieu thereof "$500,000".

On page 5, beginning at line 1, strike out the following language:

PROCUREMENT

AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations provided under this head in the Department of Defense Appropriations, Act, 1975, are rescinded in the amount of $122,900,000, to be derived from the sum provided for the procurement of 12 F–111F fighter/bomber aircraft.

On page 5, in line 8, strike out "II" and insert in lieu thereof "III".

On page 5, beginning at line 20, strike out the following language:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Justice Appropriation Act, 1975, are rescinded in the amount of $5,300,000.

On page 6, beginning at line 10, strike out the following language:

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Justice Appropriation Act, 1975, are rescinded in the amount of $2,400,000.

On page 6, in line 22, after the word "financial" insert the words "and technical".

On page 17, beginning at line 1, strike out the following language:

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of $250,000.

On page 7, in line 10, strike out "$3,227,-000" and insert in lieu thereof "$927,000".

On page 7, in line 18, strike out "III" and insert in lieu thereof "IV".

On page 8, beginning at line 11, insert the following new language:

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of $530,000.

ACCOUNTS, COLLECTION, AND TAXPAYER SERVICE

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of $9,230,000.

COMPLIANCE

Appropriations provided under this head in the Treasury Department Appropriations Act, 1975, are rescinded in the amount of $10,240,000.

Mr. McCLELLAN. Mr. President, H.R. 3260 is the second rescission bill of fiscal year 1975. In this bill, the Committee on Appropriations is recommending approval of either all or part of 28 rescissions and is recommending that 12 rescissions not be approved.

The estimated total of budget authority recommended to be rescinded in the bill is $185,412,940 and a decrease in obligation limitation of $20,022,900. This is $744,007,332 less than the amount proposed for rescission by the President and is $37,137,060 less than the amount approved for rescission by the House. The report accompanying H.R. 3260 also includes views of the Committee on the Budget.

While most of the funds proposed for rescission by the President were made available by the President on March 1, the Director of OMB stated this morning that it is still in order to proceed with this bill since the funds have not yet been utilized.

The 28 items recommended for total or partial rescission in this bill include funds for six separate departments of the Government: Agriculture, Defense, State, Justice, Commerce, and Treasury. The largest items proposed for rescission include $120,600,000 for Department of Defense operations and maintenance, and $15,712,940 for the water bank program in the Department of Agriculture. No funds are proposed for rescission for the Department of Housing and Urban Development or the Department of Health, Education, and Welfare.

By rescinding the $185,412,940 in budget authority recommended for rescission by the Committee on Appropriations, the Senate will be taking a step in the right direction of reducing the potential 1975–76 budget deficits, which some have indicated may exceed $100 billion for the combined period. I assure you that the committee looked at every item in the bill with great care and that no amounts will be rescinded which will inordinately harm the mission of any agency.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, the major reason why the committee did not go along with the administration concerning the A–7D aircraft and F–111 is that too much of the money has already been spent or obligated. For example, on the F–111, 12 aircraft were authorized at a cost of $205 million. $72.2 million of that has either been spent or obligated.

According to the best estimates that we could get, if we did not permit this program to continue, we not only would not get the 12 F–111's, but the cost to the Government would be $72.2 million for contract termination and other costs.

The committee felt it would be better to go ahead and get the aircraft than to terminate the contract at this time. This is a very good and useful aircraft.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GARN). Until the committee amendments are acted upon, floor amendments are not in order.

Mr. PROXMIRE. I will await the action of the committee amendments, Mr. President.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, subject to any amendment that may be offered from the floor.

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

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Would the consideration of the amendments en bloc eliminate the consideration of the individual items, such as the Water Bank Act?

Mr. McCLELLAN. It would not. I said subject to amendments that might be offered from the floor, reserving the right to Senators to offer amendments, but we can get them all disposed of.

Mr. PROXMIRE. As I understand it, the committee amendments would be considered as original text, so that we could offer amendments to it.

Mr. McCLELLAN. That is right.

I meant to state that, Mr. President, that the committee amendments be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin will be stated.

The second assistant legislative clerk read as follows:

At the appropriate place in the bill insert the following:

AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations provided under this head in the Department of Defense Appropriations Act, 1975, are rescinded in the amount of $122,900,000 as provided for the F–111F fighter/bomber aircraft.

THE FULL RESCISSION

Mr. PROXMIRE. Mr. President, the purpose of this amendment is to restore F–111 aircraft to the budget rescission bill proposed by the President—in other words, to cut out funds for the F–111. My original printed amendment would have included three aircraft but since the House only put the F–111 back in, my new amendment will only provide for rescission of the F–111.

The modified Presidential rescission request specified a savings of $112.9 million for the F–111's.

It should be pointed out that there is no doubt in any mind that this rescission was requested by the President, with the support of the Secretary of Defense. When the President sent his January 30, 1975, message to Congress it specifically stated:

These items were not requested by the Air Force not included in the President's 1975 budget, and are considered marginal in light of present and projected aircraft inventory.

Thus, the President has determined that the F–111 is not necessary. What could be clearer?

How, then, did the F–111 get in the budget in the first place? The answer rests with Congress. For 2 years now, Congress has decided to exercise its own judgment, overruling the Department of Defense, by insisting on the production of F–111's.

It should be noted that the Senate has shown some restraint in this matter in the past. The Appropriations Committee has refused to provide funding for additional F–111's in the past 2 years. Last year's report deleted the $250.5 million for 12 F–111's in fiscal year 1975 and $15 million for advance procurement.

In the give and take of the conference, the Senate receded from its position on the F–111's and accepted the program at full funding.

Twelve F–111F's were approved in the conference report last year. The Appropriations totaled $205.5 million. By March 1, 1975, $72.2 million was obligated. The requested rescission is $122.9 million, and the estimated termination costs are $10.4 million.

Mr. President, the major argument against accepting the President's rescission is the contention that the obligated costs plus the termination costs are so high as to make any savings seem small.

Fortunately, this is simply not the case. The obligation of funds to any of these programs does not mean that these appropriations are lost to the Government. Once Congress indicates its support for these particular rescissions, the Pentagon will instruct program officers to initiate a "termination for convenience." This is quite different from a termination of default. Essentially, a "termination for convenience" means that there will be a complex renegotiation process between the Government and the contractor. The contractor will be reimbursed for all proven costs out of pocket to date plus those ongoing costs he cannot immediately control and a profit consideration. The obligation of funds under this process means that it is quite likely that the Government will recover some of the obligated costs of these programs.

According to data I have received, the Government could recover about $25 million of obligated costs of the F–111 program.

Instead of the rescission estimate of $122.9 million for the F–111F's, we will save between $133.5 million and $158.2 million, counting the total recoverable obligational costs.

This means that the President's estimate of total savings of $122.9 million is understated by a considerable amount.

Therefore, one cannot simply add the obligated costs to the termination costs and derive a figure for what will be lost or wasted if the rescission is approved.

Furthermore, all Government furnished equipment, whole components, and vendor items, will revert to the Government. Since aircraft are not being produced at this time, the Defense Department will not receive any planes for the investment, but considerable amounts of spare parts will become available. These spare parts should not be overlooked.

One other issue should be remembered. Oftentimes, it is easy to get caught up in the sunk costs argument. Once we have committed money to any project, inevitably the old routine is heard that we must send good money after bad. Sunk costs demand further expenditures, or so the argument goes.

The President is offering us a savings of between $134 and $158 million at no cost to national security. It is true that a certain amount of funds already obligated will be unrecoverable; and even accounting for the spare parts delivered, there will be some so-called loss. But why look back? What is done cannot be undone. We must consider future savings.

It is a choice between saving $134 and $158 million or spending the entire $205.5 million on one aircraft the President and the Secretary of Defense say we do not need. That seems to be a clear choice.

Mr. President, I wish to make one last point before yielding the floor. There are arguments circulating that Congress must keep alive the F–111 program in order to have an option to the fast-slipping B–1 bomber.

This is a false argument. The FB–111 is not a true strategic bomber. It cannot cover the same targets. It cannot carry the same payload. It has other deficien-

cies. Therefore, the cry that the FB–111 is a viable alternative to the trouble-plagued B–1 is just not sound.

There are alternatives to the B–1. The upgraded B–52 looks cost effective to me, as does a standoff bomber platform capable of delivering long range missiles but not being subjected to the air defense system of the U.S.S.R., which is the best in the world.

The B–1 deserves a detailed analysis by Congress. I do not intend to do that here today. I do want to point out, though, that using the FB–111 as an excuse prejudges a situation that we have not yet dealt with in the Senate. We should not make such a major decision via a back door mechanism.

We can recover between 65 and 77 percent of the appropriations sunk into the F–111 program. In this year of economic troubles, we should not pass up an opportunity to recover Government costs when it has no impact on national security and is recommended by the President and Department of Defense.

I might also point out that the House restored the cut in the F–111 funds. In other words, it passed the same amendment I am offering, when it was offered by Representative CONTE a few days ago. They passed it by a substantial 230 to 164 vote, in spite of the fact that the House Appropriations Committee had not provided that the F–111 funds would be rescinded.

So I think this amendment is in keeping with the action by the House of Representatives. It is in keeping with the action by the President of the United States and by the Defense Department. It seems most ironic that Congress should force money on the Defense Department which they say on the basis of their best judgment is marginal, not necessary for the national defense, and which they should not be required to spend.

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

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. Mr. President, I can well understand the arguments put forth by the Senator from Wisconsin, because it is true that the Air Force has not asked for this aircraft in the last two budgets. But they have not resisted it for this reason, and the Senator mentioned it: The B–1 program is the only carry-on bomber we have in the making. As the Senator has indicated, the cost of this aircraft has gone up. I might say that the costs have not gone up as much as the costs of some other programs which I will mention at the proper time, but the costs have gone up.

If we are going to turn down the B–1, and if the Senator from Wisconsin would indicate here whether or not he would support the B–1, I could have a very changed attitude on the elimination of the FB–111.

I do know that there is going to be a concerted action on this floor to deny us the B–1. The argument that we have been putting forth is not to maintain a viable bomber force, that we have to have something going. While the FB–111 is not as long as long range and will not carry the load, it will carry enough load and it will fly far enough with refueling to accomplish the missions we want—not the way we would like to do it, but if we have to do it, we can use it for that purpose. It is a very fine long-range, interdiction aircraft, something we do not have at the present moment.

The argument is made that we can have a standoff bomber. We do not have one. We do not have one in the mill. We have no aircraft yet, with the exception of the C5–A, that has ever dropped one. It was a rather awkward drop, with no promise that we would ever be able to develop it into a dependable system.

The argument is raised every year about rejuvenating the B–52. I remind my colleagues that to accomplish this, an aircraft that is now already 20 years old, which is expected to be flying into the 1990's, to bring this aircraft up to even marginal acceptable standards in the realm of long-range bombers would require as much money as we are now going to spend for the B–1. So that is an argument that cannot hold up.

The F–111 continuance, with 12 aircraft, frankly, the only point that sells me on it is that we have to have something coming off the line to take care of our diminishing bomber threat. To those colleagues of mine who say, well, we are so far ahead of the Soviets in bombers, I merely remind them that when we add the Soviet medium-range bomber, which can reach most targets in the United States—true, it would not be returned, but that does not seem to make much difference to them—their total bomber force is now a little bit stronger than our total bomber force.

So while I stand back of the actions of the Committee on Armed Services, which did not approve this last year—and I was a member of that body which said we would not approve it—I do see some argument now. The argument has been raised more strongly since the President's withdrawal than existed at the time that he made it—namely, the growing opposition to the B–1 based mainly, almost entirely, on a cost that has gone up, because of no reason by the manufacturer or the Air Force.

In view of the fact that we are looking more or less at the end of the bomber line, something that I do not think we can afford to do because our enemies are not doing it, I would like to see this retained. If I can get the assurance of my cut-the-military-budget friends in this body that they will not attack the B–1, I shall join with them in eliminating the FB–111.

Mr. PROXMIRE. I am happy to respond to the distinguished Senator from Arizona. Before I do, I ask unanimous consent to yield briefly to the Senator from Louisiana for a unanimous-consent request.

PRIVILEGE OF THE FLOOR

Mr. LONG. Mr. President, I ask unanimous consent that when the Senate takes up H.R. 2166, the Tax Reduction Act of 1975, including votes thereon, that the following staff be permitted on the Senate floor:

From the Finance Committee: Michael Stern, Bob Willan, Bill Galvin, Bill Morris, Bob Best, Michael Rowny, Don Moorehead, and George Pritts.

From the Joint Tax Committee staff: Laurence Woodworth, Bobby Shapiro, Lincoln Arnold, James Wetzler, Michael Bird, Howard Silverstone, Paul Oosterhuis, Donald Ricketts, and Arthur Fefferman.

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

BUDGET RESCISSIONS

The Senate continued with the consideration of 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.

Mr. PROXMIRE. Mr. President, in response to my good friend from Arizona, as always he has made an excellent point with respect to this program, and he is an expert to whom we all look for expertise. I think that the B–1 does have a lot of strong points, particularly with respect to its mission and with respect to its superiority as compared with the FB–111. I will put some statistics in the record to show the superior performance of the B–1.

In all frankness, as I am sure the Senator anticipates, I do not expect to support the B–1 bomber. I think there are better alternatives; one being a renovated, updated B–52, which I think is cheaper. The other is a standoff bomber platform.

I might say the Director of Defense Research and Engineering, Dr. Malcolm Currie, certainly one of the outstanding experts in this area, has stated that in his view, the FB–111 is probably the worst option. He says:

> The stretched FB–111 is deficient in range, payload, and electronic countermeasures.

He called it markedly cost-ineffective compared to all other forces.

He goes on to say that with its shorter range, maybe with the KC–135 tanker, it can be provided sufficient range. He says the FB–111, even with a tanker, would not be cost efficient because each bomber would need its own tanker. This is the advice from the Pentagon's expert in the field. It seems to me that it is something we should consider before going ahead with this big expenditure.

Mr. GOLDWATER. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield. Then the Senator from Missouri wanted some time.

Mr. GOLDWATER. I do not differ with Mr. Currie. In fact, I can probably make a better argument for him than he has made. But the fact remains that now, with the intended opposition and strong opposition which the Senator has just expressed to any B–1 program, this country cannot afford to end the bomber program. We cannot depend on ICBM's,

because once we punch that red button, it is going all the way. Then we are in a real bad situation worldwide, where the bomber can be recalled.

I do not want to see the day come when this country's only defense is the intercontinental ballistic missile that will bring on world destruction. We have to have men in bombers, with their brains and their eyes to guide them, and we have at the same time to have communications from this end that can recall any attack that we want to make.

What the Senator is proposing, if he would propose that after the B–1 vote, I would probably go along with him if the B–1 is ordered for production, which it is not now. But to order this amendment now when the production line would be closed down and cost hundreds of millions of dollars to reopen if the decision is made not to make the B–1—which I hope we do not make—I think it would be a very, very costly mistake, one that we can probably never overcome.

Mr. PROXMIRE. Before I yield the floor, let me say to the Senator from Arizona that if we wait for a decision on the B–1 bomber before it goes into production, all the money in the FB–111 program will be obligated and we will not have an opportunity to act. I did offer two other options, one being renovated B–52's with the new engines which some people say will go into the 1990's, the other a standoff bomber platform which can be used with other planes.

I yield the floor.

Mr. SYMINGTON. Mr. President, I suggest that the amendment of the Senator to rescind the funds for the F–111 flies directly in the face not only of our best defense interests, but also the interests of all of those who have expressed doubt and concern about the B–1 bomber program, especially because of the unprecedented cost of the latter. I think the price of a B–1 has gone up in recent months from $40 million per plane to $84 million, a new price that was given to us by the Secretary of Defense, over double the past cost. Originally, it was considered to be less than $40 million.

It is an old-fashioned phrase about cutting off one's nose to spite one's face, but that is what is being recommended here.

In my opinion, we cannot afford a Strategic Air Command made up of $100 million B–1 bombers when we know that we can have stretched versions of the FB–111 at one-quarter to one-third of that cost per aircraft.

This is the fundamental reason that the Committee on Armed Services and the Committee on Appropriations of both the House and the Senate have kept the F–111 line going and ready to produce during these past few years.

If the funds for the F–111 are rescinded by our action today, we are taking a major step toward approving production of the B–1 bomber, the details of which have never been examined in depth by any committee of Congress except the Research and Development Subcommittee of the Senate Committee on Armed Services.

A credible bomber is one of our more important deterrents to aggression. It is a visible force, has alternate modes of action, can be used with discretion and control, and embodies the classical threat of being capable of being moved forward as a warning to the enemy, while not being committed, as the able Senator from Arizona pointed out is the case with strategic missiles which cannot be recalled, once they are launched.

The F–111 has been criticized for being unsafe, but it has the finish safety record of any of our combat aircraft.

Its capability as a fighter-bomber has also been criticized—but only last year this plane won the bombing competition in Louisiana against 10 times the number of B–52's and British Vulcan bombers.

At one point, I believe it fair to say, the only people who liked the F–111 were the pilots of this plane and their commanders.

Last month, however, in testimony before the Senate Committee on Appropriations, the Secretary of the Air Force and the Chief of Staff of the Air Force made absolutely clear they considered the F–111 to be a great airplane.

During the very first of the SALT talks in Helsinki, the only aircraft specifically noted by name as causing deep concern for the Soviets was the F–111. This, by itself, would seem a high recommendation for the F–111.

In view of this outstanding record, why would we choose to stop an aircraft production line that, in its actual functioning state, provides the only currently viable course this country can take if a decision is made not to build, for any reason, any other bomber.

Today we are talking about the future of the Strategic Air Command. We are not actually engaged in any discussion whether a particular airplane should continue to be built or not built. We are talking about whether we intend to continue to have a credible strategic bomber force as part of the defenses of the United States.

What appears on its face to be an attractive opportunity to perhaps save some money is actually a question of whether we want to retain an alternative course of action, or limit ourselves—contrary to any military doctrine—to one single mode of action.

Each year a mock war is staged in Europe. Last year in West Germany elements of our ground and air forces, together with similar German and Canadian forces, with all the realism at their command, tried to beat the forces who were playing the part of the enemy.

In connection with this engagement, Gen. George Blanchard, U.S. 7th Corps, commander, Europe described the weather at that time as "lousy." He said that air operations were almost totally restricted except for the all weather F–111 fighter-bombers. He went on to report that the F–111 got in about 85 percent of the 194 flights planned for them; but he also pointed out that other American, Canadian, and German fighters fell woefully short of their planned sortie rates.

Last year in his appearance before the Senate Armed Services Committee Gen. George Brown, now Chairman of the Joint Chiefs of Staff, then Air Force Chief of Staff, made this statement about the F–111:

> The F–111 wing performed in combat with great success. It gave us a unique capability to deliver conventional weapons accurately at night and in weather against the toughest targets in North Vietnam. The enemy knew we could hurt him—all night, every night.

Finally, I would briefly address myself to the myth of increased tanker requirements for the FB–111.

Periodically the subject of alleged increased tanker requirements for FB–111's as compared to B–1's and B–52's is resurrected. In truth an FB–111, either stretched or not, actually requires less tankers on an aircraft to aircraft comparison than either the B–1 or B–52. This is obvious because the FB–111 has only two engines compared to four in the B–1 and eight in the B–52; and hence uses considerably less fuel per mile than either of those other two planes.

For these reasons, I urge that this amendment to rescind funds for the F–111 be rejected.

Mr. President, I yield the floor.

Mr. TOWER and Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Texas.

Mr. TOWER. Mr. President, I want to associate myself with the remarks of our distinguished colleague from Missouri. I think he understands very clearly, much better than anyone else, what is involved here.

Certainly it does not make much sense for us to end the production line on the most sophisticated target penetration aircraft in the world until we have something that is a follow-on in the strategic role. In fact, if we adopted the amendment which is offered by the Senator from Wisconsin, we would actually be approving the production of the B–1 bomber. We would, in effect, either be approving production of the B–1 bomber or terminating the Strategic Air Command, because, as yet, we have no operational follow-on to the B–52. The B–1 is designed to do that. The FB–111 is a transitional aircraft, a transitional follow-on, and until such time as the B–1 has been finally approved, this production line should be kept on.

I would point out that it is not proposed to legislate any additional buys of F–111s after the current authorized production is run, because by that time we will have been into the decision period on whether or not to go ahead with production of the B–1. So this is a safety mechanism that will carry us through that period. It is not anticipated that the line would be kept open beyond what is presently authorized in the absence of the rescission.

One thing should be clearly understood: That although the rescission would, in effect, save some money immediately, it would in the long run result in about a $100 million waste; and it

seems to me to make little sense to throw $100 million away.

Now, lest people get the impression that Texas is the only State that gains anything economically from the production of the F–111, let me say that although Texas will lose some $45 million, New York will lose $30, California $23 to $24 million, Missouri will lose about $15 million, and Connecticut something in excess of $12 million. Ohio will lose money and jobs as well as Indiana, Massachusetts, New Jersey, and a number of other States. Although, of course, Texas suffers most, that suffering will be shared by some 34 other States.

I am not implying and do not mean to imply that we can keep any defense weapons system in production simply for the purpose of providing jobs. But when a greatly improved aircraft is being built, an aircraft that provides a viable option to the expensive B–1, and when no real savings will be effected in the ultimate analysis, then I think it is obvious that the amendment should be defeated, and I hope it will be defeated.

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

Mr. TOWER. I yield to the Senator from Arizona.

Mr. GOLDWATER. Before the Senator came on the floor, I pointed out the answer to two of the alternatives offered by our friend from Wisconsin; namely, the standoff bomber and the B–52.

The truth of the matter is that we have no aircraft capable of dropping a standoff weapon. We might be able to modify the C–5, the F–47, the 1011, or the 10. But I think it is adequately proved that to launch the Minuteman missile by dropping it without at least having it aimed to some extent will prove an obstacle they are not going to be able to overcome. On stopping this aircraft, assuming we want to build another, it would be a miracle if we could get the new one in inventory in 7½ years.

We often hear the argument about the B–52 bomber that this is a 22-year-old airplane. The last time I checked the cost of modifying it up to even acceptable standards in the period we are in, the cost would be close to what we would pay for the B–1, and we would have a 22-year-old airplane with a slightly improved engine, slightly improved avionics and electrical system, a very slow airplane in which metal fatigue is now setting in.

I would say the only way to save the one concept that prevented a third world war, the Strategic Air Command, is to maintain the production line, because, as the Senator has pointed out, once you close a production line, reopening it would cost more than starting up with a new concept of a new airplane.

I am glad that the Senator has expressed himself so well with regard to his objections, and mine, also, to the pending amendment.

Mr. TOWER. I thank the Senator from Arizona. I know he would not want to be put in a position of having to fly around in an ancient airframe, which is precisely the position our strategic bomber pilots will find themselves in if they are saddled with the B–52 for the rest of their lives.

The Senator from Missouri made a very important point about this aircraft, which is that it can function as a ground support system when no other aircraft can, because of its all-weather capabilities.

So there are many good reasons for keeping this airplane under production at the moment, and I hope the Senate will reject this amendment.

Mr. PROXMIRE. Mr. President, will the Senator from Texas yield for a unanimous-consent request? I ask unanimos consent that Mr. Al Gordon of my staff be permitted to come to the floor during this debate.

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

Mr. BENTSEN. Mr. President, I rise in opposition to the amendment of the Senator from Wisconsin. I am concerned about our national security and concerned about our strategic bomber force. There may well be occasions in the future when we have full military alerts in this country and when the Chief Executive faces a very fundamental decision as to our military response in a given situation.

One of the important things about bombers is that they can be launched and then they can be turned around. I think we are going to have to have a manned bomber, and I believe that will be an important bargaining chip in the SALT negotiations which will likely be concluded this summer or next fall.

I have been a supporter of the B-1 program in the past, and I have resisted efforts to cut those funds for research and development. But I must say that I am concerned over substantial cost overruns with the B-1 with the cost now over $84 million a copy for some 242 of those aircraft.

Maybe the B–1 is the plane for our strategic bomber force. I do know it will be a major issue in this body. If Congress ultimately makes a decision not to go with the B–1, are we going to be left empty-handed without any replacements for our strategic bomber force?

Now the Senator from Arizona made a very good point when he was talking about the fact that we have an airplane, the B–52, that is some 22 years old. We have made some cosmetic improvements in the B–52, but the basic fuselage is the same.

To try to put this thing in perspective, because I have done a bit of flying, too, particularly back in World War II, it would have been comparable to our going out to the flight line to fly against the 109s, the German plane, and climbing into a Spad or a Camel or some aircraft that was left over from World War I. I do not think that is the position in which we want to put American pilots.

What is going to happen if the F–111 production line is shut down? The F–111 is currently the only viable alternative to the B–1. There has been a lot of talk about modifying the F–111 and perhaps we can do that. Perhaps we can modify it so that it will have greater range and other capability. But we are not going to know if we can do that unless we keep this production line open and keep a viable alternative to the B–1.

I say that $129 million is a sound investment in the future of our strategic bomber force, and it is a positive way for Congress to have a say in the way our national defense posture is developed.

I do not believe that Congress should let the B–1 be foisted on us without a thorough review of all the possible alternatives. Perhaps Congress will decide to buy the B–1, and perhaps it will not. But I believe that all avenues should be exhausted before we decide to ask the American people to spend upwards of $84 million a plane for a vast new strategic bomber network.

As of now the only low-flying supersonic bomber we have is the F–111, which costs about $20 million apiece, not $84 to $100.

I do not say this just because a good part of it is done in Texas or a good part in the State of New York or in any other State. I am talking about all the taxpayers of this country and what we can save them in the way of tax expenditures.

It is not a question of whether we create jobs or not, but whether we keep the defenses of this country strong, and whether we do it in an economical way.

If we cut back now on this program, all we are going to have left is a bunch of spare parts.

Mr. President, we are in the process of phasing out procurement for the F–111. When the purchase of the 12 planes is completed, no more will be bought unless the administration submits a request for continued procurement.

Besides the $72 million already obligated on the F–111, termination costs will run about $10 million. So we would end up spending $82 million and have nothing to show for it.

Mr. President, we all want to bring about cost savings in the Federal budget. But there are many areas of fat in the Defense Department budget that should be cut. I do not believe the F–111 is one of them. We need to keep the F–111 lines open with this minimum of 12 planes so we will have a medium-range bomber capability, a supersonic capability, for the late seventies and eighties. That will give us greater flexibility in analyzing the options available in order to make the decision next year as to what we are going to do about the B–1.

Mr. President, I strongly support the statement of the Senator from Arizona and the senior Senator from Texas, and I hope that this amendment will be defeated.

I also want to say when we are talking about cost savings that I do support the Appropriations Committee's approval of the other rescissions.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the Proxmire amendment be temporarily set aside.

Mr. PROXMIRE. Will the Senator withhold that request for just a moment?

Mr. McCLELLAN. What is the purpose of setting it aside?

Mr. HATHAWAY. Well, I have an amendment to strike certain language on page 2 of the bill with which, I believe, the chairman of the committee is in agreement, and is a matter that would take only a minute or so to dispose of.

Mr. PROXMIRE. Mr. President, I will be happy, then, to defer my response. We are just about through with this debate

on the F-111 anyway, and if the Senator wants to call up his amendment, go ahead.

Mr. HATHAWAY. I will yield, Mr. President, to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, unless somebody else intends to speak, I would just say that I think all Senators should be aware, No. 1, that this is really a proposal of the President of the United States. President Ford says, as Commander in Chief, he does not need the money for this plane.

No. 2, the Secretary of Defense has told us that this plane is not necessary, and its expenditure is not necessary.

No. 3, Mr. President, the Department of Defense did not do this on the basis of my objection to the plane, because of where it is built or anything of the kind. They had a very substantial, I might say massive, study of alternatives, and it was headed by Dr. Malcolm Currie, the Director of Defense Research and Engineering, and he said, after this study, that the stretched F-111 is the worst, the last alternative that he would choose.

He said the stretched FB-111 is deficient in range, it is deficient in payload, it is deficient in electronic countermeasures. He called it markedly cost-ineffective compared to all other forces.

He pointed out that even if you used the tanker you would need a tanker for every FB-111.

Furthermore, the Senate has for 2 years said "no" to the request—the Senate Appropriations Committee has said no more F-111's. So it is not the first time we go along.

The House has said "no" by a substantial vote, so I hope Senators will recognize the fact that although extremely able and eloquent Senators have made their strongest possible arguments for what I think is a very weak case, if they will consider the fact that the President of the United States, the Secretary of Defense, top people in research and engineering in the Pentagon, say this is not the way to go, then I hope they will vote in favor of the amendment.

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

Mr. PROXMIRE. Yes, I would be happy to yield.

Mr. GOLDWATER. In the interest of consistency, I might point out that the Senator has not always gone along with the President before, and I hope this may be an indication that he may be changing.

I recall last December when the President suggested that a 5.5-percent automatic pay increase be put into effect, the Senate said "no" to that. I do not know whether the Senator voted against the President or not, but I am glad to see that he is turning in support of our Republican President, and I congratulate him for it.

Mr. PROXMIRE. May I say to the Senator from Arizona that I have great admiration for President Ford. I vote with him whenever I possibly can. Unfortunately, that has not been as frequently as the support of the Senator from Arizona. In this case he is absolutely right, and I expect to support the President. I will support the President when he is right.

Mr. President, I yield the floor.

Mr. HATHAWAY. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. YOUNG. Reserving the right to object, what provisions of the bill does the Senator seek to strike?

Mr. HATHAWAY. The provision of the bill that I wish to strike is on page 2. I want to strike "pursuant to the Impoundment Control Act of 1974."

Mr. PROXMIRE. Mr. President, will the Senator permit me just to get the yeas and nays? I think there are enough Senators on the floor for that purpose.

Mr. President, I ask for the yeas and the nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. YOUNG. Mr. President, I have no objection.

Mr. HATHAWAY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Without objection, the present amendment will be set aside and the clerk will state the amendment of the Senator from Maine.

The legislative clerk read as follows:

On page 2, line 3 add a comma after "made"

On page 2, line 4: strike the phrase "pursuant to the Impoundment Control Act of 1974,"

Mr. HATHAWAY. Mr. President, H.R. 3260 as printed would indicate that we are attempting to make a rescission pursuant to the Impoundment Control Act of 1974.

I think it is pretty obvious that the 45-day period provided for under the Impoundment Control Act of 1974 has expired and that we are not making this rescission pursuant to that act, and I would like it very clearly stated that we are not.

I do not dispute the general power of Congress to make rescissions at any time that it wishes to do so, but to say we are doing it pursuant to the Impoundment Control Act of 1974 is not correct and could be very misleading.

Mr. President, I have some other specific reservations about several of the rescissions contained in H.R. 3260, but before mentioning these, I wish to make a general point about the procedure we are using today. My concern is that by acting on these bills after the expiration of the 45-day period prescribed in the Budget and Impoundment Control Act, we may be establishing a precedent which an administration could use in the future to frustrate the purposes of that act.

My specific concern is that although legally compelled to make the funds available for obligation if both Houses have not acted within 45 days, the administration could point to this example of our acting after that period has expired as a basis for informally instructing the agencies to delay obligation of the moneys. This type of additional delay, particularly if it came near the end of the fiscal year, could well impair the agencies' ability to spend the money wisely—or at all, in cases where the funds would revert to the Treasury.

While understanding the pressures on the Appropriations Committee in these situations, I would prefer to see us establish the precedent that we either act within the 45 days or not at all. In this way, there can be no excuse for procrastination at the end of the time limit by an administration seeking ways not to spend the money.

Additionally, it should be noted that this whole rescission process is terribly disruptive to the agencies involved. It means that they must live in a prolonged period of uncertainty while having to develop two sets of spending plans and priorities. This is an additional reason for making it clear that the end of the 45 days can be interpreted as a final disposition of the matter.

Mr. McCLELLAN. Will the Senator yield?

Mr. HATHAWAY. I yield to the chairman of the committee.

Mr. McCLELLAN. I have no particular interest in this issue except to say if it is not being made pursuant to the Impoundment Control Act of 1974, would the Senator say it is not being made pursuant to the President's request?

Mr. HATHAWAY. Well, I would not say it is not being made pursuant to the President's request because I assume that it is being so made, but the Congress does have general rescission authority and under this authority can honor the President's request or rescind on its own at any time.

Mr. McCLELLAN. I want to let the record reflect that it is being done, the request of the President was submitted, a rescission message, it is not pursuant to the Control Act, and I think Congress has the authority to rescind any appropriation it may make at any time and does not have to have a message from the President to do it.

I just wanted to keep the record straight. I do not want to say pursuant to the Control Act of 1974. It may well be, technically, it cannot be done pursuant to that act.

I think that is really the question the Senator is raising, that technically the time has expired.

Mr. HATHAWAY. I would not want to let our action here be interpreted as a waiver of the 45-day requirement that is imposed by the Impoundment Control Act of 1974; with the language that is on line 4 on page 2 remaining in the bill that implication could be made from these actions——

Mr. McCLELLAN. I think it should be noted that the bill was introduced within that 45-day time, was it not ?

Mr. HATHAWAY. The Senator is correct.

Mr. McCLELLAN. And the proceedings were to rescind by the Congress, the bill to rescind was introduced within the 45-day time provided by the Impoundment Control Act of 1974.

Mr. HATHAWAY. Yes.

Mr. McCLELLAN. So since that time now has expired, the Senator is saying, technically, that we could not pursue

any further under that act, and I think the record should reflect, in order to be fair to everybody, that it was originally initiated under that act and that this rescission is being made pursuant to a request of the President of the United States.

Mr. HATHAWAY. Well, as I understand it, the fact that although we started proceedings prior to the expiration of the 45 days, if we did not complete those proceedings, then any action taken pursuant to the Impoundment Control Act of 1974 would not be effective.

Mr. McCLELLAN. No, but they were begun, these proceedings were begun under that act.

Mr. HATHAWAY. The Senator is correct, but if, for example, the 45 days had expired and Congress did not intend to take any more action thereafter, the President would then be obligated to go ahead and spend the funds that he had wanted to rescind.

Mr. McCLELLAN. Either do that or send down another rescission request.

Mr. HATHAWAY. Or send down another rescission request.

Mr. McCLELLAN. I have no objection to the amendment, but I wanted to set the record straight, Mr. President.

Mr. HATHAWAY. Fine.

Mr. McCLELLAN. To have this again and again, I do not know whether we always complete our work within the 45 days' time provided in the Impoundment Control Act, may not be able to, but I maintain that Congress has a right at any time to rescind any appropriation that it makes, and this is the proper way to do it.

But I have no objection to the amendment, it is simply a technical matter and I want the record to so reflect.

Mr. HATHAWAY. Mr. President, I am also concerned that the Congress may be making a serious mistake in approving the rescissions proposed in the bill for the Special Action Office on Drug Abuse in the Executive Office of the President. These rescissions, which have already been approved by the House and are approved in the committee bill before us, would cut almost $5 million from the present $18 million budget.

Now, I cannot argue that these cuts will somehow cripple the Federal drug abuse prevention and treatment effort; there are still substantial funds in the National Institute on Drug Abuse in the Department of Health, Education, and Welfare. But the overriding fact of which my colleagues should be made aware is that, unfortunately, there are now strong indications that heroin abuse is making a comeback in virtually all parts of the country. All of the indicators, such as hospital emergency room incidents, heightened treatment demand, and inceases in drug-related crimes, point to a new drug abuse epidemic, based primarily on the availability of heroin from Mexico.

And to make matters worse, the cuts in this bill will fall most heavily on some of those new efforts which offer hope of pinpointing the areas where the problem is the greatest and helping to determine the most effective treatment methods. For example, the drug abuse indicators project, designed to develop a more sophisticated system of determining the relationship between urban indicators and heroin addiction, will be cut back by 60 percent. The project to develop guidelines for evaluating the impact of prevention programs will be cut by 40 percent. A project involving scientific and medical evaluation of methadone maintenance programs—an extremely critical issue in this field—will be cut by more than 40 percent. A special project targeted on preventive programs for rural youth will be virtually killed. In addition to these and other projects being cut, a number of promising new initiatives which had been planned must now be postponed, perhaps indefinitely.

Mr. President, I am fully aware of the constraints under which this bill is being brought to the floor; for this reason, I am refraining from bringing an amendment to restore these funds. But I do feel a responsibility to acquaint this body with the developing drug abuse situation and compliment the committee for rejecting the rescissions proposed for the National Institute on Drug Abuse contained in the President's second message.

Further, I would like to suggest to the committee that it can ease the effects of these cuts by adding the $5 million being deleted here to the next supplemental appropriation for the purpose of funding the drug and alcohol abuse education program in the Office of Education. A motion to fund this program in the last supplemental failed by only two votes in this body, largely because it was thought transfer funds would be available at least in part, from the Special Action office.

Now, clearly, this will not be the case. In view of this and in view of the impending increase in the need for drug abuse services—including prevention—funding the education program at at least the level of these rescissions would seem to me to be an appropriate congressional response to this situation.

Mr. McCLELLAN. Mr. President, while the amendment of the Senator from Wisconsin is temporarily set aside, I understand we have another amendment that will be offered to the bill, and am I correct that there will be no voting until—what time today on rollcall votes?

The PRESIDING OFFICER. There will be no rollcall votes until 3:30.

Mr. McCLELLAN. Until 3:30.

Well, in the meantime, we could not be voting, if all debate is closed, and I do except to make a few remarks on the Proxmire amendment, but we would not be voting, but we do have another amendment that will be offered to this bill, and I would like, while the Proxmire amendment is temporarily set aside, for the Chair to recognize and give consideration to my distinguished colleague from Arkansas who wishes to offer an amendment.

Mr. HATHAWAY. Will the Senator from Arkansas yield to me?

Mr. McCLELLAN. Yes.

Mr. HATHAWAY. Mr. President, was the amendment offered by the Senator from Maine acted upon?

The PRESIDING OFFICER. No, it has not been acted upon yet.

Mr. McCLELLAN. The Senator does not want a rollcall vote?

Mr. HATHAWAY. No.

Mr. McCLELLAN. Then let it be acted upon, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. HATHAWAY. I thank the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 130

Mr. BUMPERS. Mr. President, I would like to call up Amendment No. 130.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Wisconsin will remain laid aside.

The clerk will state the amendment of the Senator from Arkansas.

The second assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an amendment numbered 130.

The amendment is as follows:

Strike out in its entirety, chapter I of the Act, entitled "Department of Agriculture," being lines 5 through 13, inclusive, on page 2 of H.R. 3260.

Renumber chapters II through IV accordingly.

Mr. BUMPERS. Mr. President, I would like to spend about 3 minutes explaining, first, the purpose of the amendment and what it does and, second, the status of the funds.

This amendment deals with the Water Bank Act, and when the Water Bank Act was first passed and as it is now on the books, the purpose is stated as follows:

. . . in the public interest to preserve, restore and improve the wetlands of the Nation and thereby to conserve surface waters, to preserve and improve habitat for migratory waterfowl and other wildlife resources, to reduce runoff, soil and wind erosion and contribute to flood control, to contribute to improved water quality and reduce stream sedimentation, to contribute to improved subsurface moisture, to reduce acres of new land coming into production, and to retire lands now in agricultural production, to enhance the natural beauty of the landscape and, to promote comprehensive and total water management planning.

Mr. President, this is a fairly embryonic program. It troubles me slightly to rise and propose going against the President's rescission simply because I consider myself a fiscal conservative and I think this body owes a debt to the Nation, an obligation to the Nation to do everything it can to reduce the deficit we are about to incur as much as possible. But I feel so strongly about the preservation of the wetlands and the marshlands, the habitat of waterfowl as well as the other benefits of marshland, I feel compelled to rise.

When this Nation was founded there were 120 million acres of wetlands and marshlands. Now we have been reduced to less than one-fourth that amount.

The Agriculture Department under the Water Bank Act is authorized to negotiate with any owner of lands which are classified as wetlands or marshlands,

which meet any of the criteria set out in the purposes of the act, which I have just stated, and lease those lands to keep them from being drained or used for any other purpose, except wildlife, marine habitat, and for observation purposes. They are extremely important to the whole ecosystem of this country.

The President proposed to terminate the program entirely in his rescission.

There is now $21 million in that fund which has not been spent. I say quite frankly I think one of the reasons it has not been spent is because this administration has been committed to the abolition of the program.

The President proposed the rescission of the entire $21 million. The House rejected the entire rescission. The appropriate committee of this body took all but $5 million out of it.

My amendment is to reject the President's rescission in toto and restore this $21 million for what I consider to be one of the most worthwhile programs in this country.

When one compares the cost of saving the marshes and wetlands of this country to the cost of some of the other things we spend money for, it pales embarrassment.

The former Attorney General, now Ambassador to India, who, frankly, I never thought of as being an environmentalist or one who was dedicated to the natural areas of this country, just last July said:

> If we fail to save the wetlands, we will be losing more than an economic and esthetic asset that can never be recreated. The loss may also signal an impending and crushing defeat of the larger effort to maintain an environment that civilized man can inhabit.

Mr. President, in the neighboring State of Virginia, the Marine Science Institute of Virginia, in 1969, filed a report which said:

> Coastal wetlands represent only 1 percent of the total area of the State, and marshes one-half of one percent. Yet 95 percent of Virginia's annual harvest of fish, commercial and sport, comes from the tidal waters and are dependent to some degree on our wetlands.

In the State of Maryland the Department of Natural Resources said:

> Wetlands form the most productive ecosystem on earth. One acre of salt marsh may produce as much as 10 tons of organic material per year, more food than the richest one acre of wheat land in the Nation.

Finally, I would like to say that the wetlands of this country serve a purpose which they are often not credited with. I have heard the illustration used that the wetlands really are the kidneys of this Nation, because they actually filter and take out the pollution and sedimentation of so much of the water in this country and keep it from going into the streams, the lakes, and the water that we consume.

Mr. President, I feel very strongly about the restoration of this program and these funds, and I move the adoption of this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. YOUNG. Mr. President, it is embarrassing for me to have the Senator from Arkansas tell us in North Dakota what to do about a program which originated there. The water bank program originated in North Dakota and surrounding States. It had the support of the North Dakota State Game and Fish Department, all the wildlife interests, all the farm organizations, and many other organizations.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. YOUNG. Not until I get through.

We are the No. 1 duck propagation State. We probably produce most of the ducks produced in the United States. What the committee did was to make available $5.5 million. That is the amount that has been obligated per year over the 5 years of the program. For the past year there was no program available. As a result there were practically no applications, and there are very few pending now. The $5.5 million was very adequate to take care of the program.

Mr. President, this is the trouble with Congress today. Members want to appropriate far more than necessary for most programs. Far be it from me to cut appropriations that are needed where so much of the money is spent in my State where the program originated.

According to the Director of the Budget, who testified before the Appropriations Committee this morning, we will have about an $80 billion deficit this year, and in 2 years, this fiscal year and next fiscal year, about $130 billion. Amendments like this are the reason why we are having this huge deficit. Why appropriate more money than possibly can be used?

Mr. President, I am not going to oppose the amendment. If the Senator wants to appropriate more money than possibly can be used for the program, it is all right with me.

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

Mr. BUMPERS. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. All those in favor, signify by saying aye; those opposed, nay.

Mr. BUMPERS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. BUMPERS. 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. McGEE. 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. McGEE. Mr. President, as the chairman of the Agriculture Appropriations Subcommittee that is responsible for this particular action, I want to say that the full Appropriations Committee voted unanimously with the distinguished ranking Republican on the Appropriations Committee, Senator YOUNG, on the proposal in the committee.

The distinguished Senator from Arkansas has made a very eloquent plea for the great principle behind this matter, particularly with the wetlands: All of us who aspire to pursuing wild fowl in particular have a soft spot for the proposal.

I would like to serve as the honest broker or the middle man between the two extremes in this matter, if I may. I have consulted with both the senior Senator from North Dakota (Mr. YOUNG) and the junior Senator from Arkansas (Mr. BUMPERS), and I would like to propose a compromise figure that would split the difference between the two. The difference is $15,712,940. That would make the compromise figure $7,856,470. I offer that as an amendment to the bill.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming still has the floor.

Mr. McGEE. Mr. President, I should like to say that the whole idea of the Water Bank is a concept that is a part of the new requirements in this country. It was originated and engineered through Congress, from its very inception, by the distinguished Senator from North Dakota (Mr. YOUNG) the full committee has taken upon itself to pursue the leadership he has shown in this matter.

We are also very mindful of the environmental and the wetlands aspects of this matter, which we are going to lose if we do not act in time. For that reason, I have offered to intercede, in order to split the difference between the two requests. That figure is $7,856,470. I send that to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming proposes an amendment:

> On page 2, line 13, strike "$15,712,940" and in lieu thereof insert the following: $7,856,470".

Mr. BUMPERS. Mr. President, I wish to express my gratitude to the Senator from Wyoming for his efforts to mediate what was an unexpected dispute with respect to the amendment.

It was not my intention to offend anybody in this action. I was not aware of the history of the beginnings of this Water Bank Act. I was aware that the State of North Dakota had received most of the funds since the program had been instituted. Arkansas being the reputed duck capital of the world, I certainly was mindful that most of those ducks—or a great part of them—are hatched in the great State of North Dakota. But one of the reasons why Arkansas is the duck capital of the world is that we have tremendous wetlands, in which we take great pride. When I saw this bill come from the House of Representatives and recognized that it was a program to preserve the wetlands and marshlands of the country, I became interested, not from the purely provincial viewpoint which I just articulated——

Mr. McGEE. Do not apologize for

that provincial viewpoint, because it is very laudatory.

Mr. BUMPERS. I am not apologizing for it. I simply say that it captured my attention, and that is the reason why I proceeded with it.

I was not aware that the distinguished Senator from North Dakota had sat on the subcommittee that considered this matter.

Finally, I express my thanks to the Senator from Wyoming for his efforts at mediation, and to say that the compromise figure is entirely suitable to the Senator from Arkansas.

Mr. McGEE. I thank the Senator and say again that all of us in this body are indebted to the distinguished Senator from North Dakota, who really is the father of this whole concept. We have tagged along in the wake of his leadership on this for a long time and take the credit. Whenever we go to Wyoming, one never hears of the Young bill; it is always the McGee bill. But I have to confess here that it was Senator MILTON YOUNG's initiative that did this. I thank the Senator from North Dakota.

Mr. YOUNG. I thank the Senator from Wyoming for his kind comments and too, I appreciate his getting involved and resolving the differences. I thank him for resolving this problem for us.

Mr. McGEE. Mr. President, I move the adoption of the amendment, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGEE. Mr. President, I am glad to yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I withdraw amendment No. 130.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. McGEE. 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. GOLDWATER. 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, is there any further action contemplated on H.R. 3260 at this point?

Mr. McCLELLAN. Mr. President, I know of nothing further. The Proxmire amendment is still pending and I wish to make a brief statement about the Proxmire amendment. Then I am ready to vote. I think we start voting at 3:30.

Incidentally, I have a meeting of the Committee on Appropriations in caucus and I have not been able to get there.

Mr. President, with regard to the Proxmire amendment, I shall vote against it. I do not oppose it in principle, but I shall vote against it because we will simply sustain a loss of around $80 million and will absolutely get nothing for it. I have taken a position twice in the last 2 years on the Committee on Appropriations and on the floor of the Senate that this F-111 program should be stopped, should be terminated. I voted accordingly and the Senate has voted accordingly. But each time, when we have gone to conference, a rather strong appeal has been made that we should keep this production line open until there is a determination by Congress with respect to another bomber, presumably the B-1, as to whether we would go into a procurement program with that plane. It made a lot of sense, Mr. President, and in conference, the Senate has yielded.

In the last conference, Mr. President, on this issue, we stated in the conference report, on page 23 of the Conference Report No. 93-E1363.

> The conferees do not intend to provide any further funds for this program unless it is sufficiently justified before the congressional committees.

In other words, Mr. President, we wanted to make it very clear that we were not committed to continuing this program unless it could be fully justified.

Now, the House of Representatives, in this instance, has refused these funds and directed, in effect, that the program be canceled.

If we do restore the funds or keep the funds, as has been recommended by the Senate Appropriations Committee, we will again go to conference. At that time we will try to work it out.

In my own judgment, it does make a lot of sense to keep this production line open until we make a determination whether we are going to procure some other plane, because if we do not procure another plane, we will need more of the F-111's.

Some will say, "That is a strange thing for you to say, since you opposed the F-111."

I did not oppose it as a weapon, as something that was needed. Mr. President, what I opposed in the beginning was the arbitrary and unwise management of the program. At that time, originally, we were to get two planes, one for the Navy and one for the Air Force, and they were to each fill the needs of those services. I opposed it, because on the face of it, as it was being managed, the program was doomed to failure.

And it did fail, Mr. President. We did not get any plane for the Navy at all, because, as I said, of the mismanagement of the program, which was why I opposed it, not that I opposed a weapon or opposed the plane.

I was interested, a while ago, when the distinguished Senator from Missouri pointed out that the cost of the B-1 bomber now has doubled, from around $40 million per copy up to $80 million per copy. I remember when this plane was first proposed, Mr. President, we would get them for about $3 million each. Now we are paying $18.5 million per copy for them. Mr. President, this is what we are going to experience generally in the development of any new sophisticated weapon. We had just as well make allowances for it in the beginning.

We have here a plane that is now functioning. It is not doing all it was represented that it would do when the program was inaugurated. It has never been able to fulfill the full specifications. It has never been able to meet them in performance. But it is the best we have, and it is something that I think it would be unwise now to terminate, certainly, because we have already put in the money, at least for these next 12 planes.

For that reason, I shall vote against the amendment. But I want to keep it constantly before the Senate and Congress that this is a program we should end as soon as practically possible, and certainly as soon as we make a selection of a new weapon to procure, a new bomber. But as of now, I think the judicious thing for Congress to do is procure these 12 planes involved in this appropriation.

Mr. ROBERT C. BYRD. Mr. President, with the concurrence of the Senator from Virginia, I ask unanimous consent that the 30-minute limitation on S. 326 be reduced to not to exceed 10 minutes.

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

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on House Concurrent Resolution 133, as amended, and on S. 1172.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that the Senate resume the consideration of S. 326.

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

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The Senate continued with the consideration of the bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

Mr. HARRY F. BYRD, JR. Mr. President, I yield such time as he may require to the Senator from Colorado.

Mr. GARY W. HART. Mr. President, I would like to point out two important facts regarding this measure in the time remaining.

First of all, it is my understanding that pursuant to the agreement we have with the United Nations as trustees of this territory, before the trust status of the Marianas can be terminated, we must in fact resolve the status of all the islands in the trust territory itself. The distinguished Senator from Louisiana has made an argument that we must expedite this matter, and that the authorization of the $1.5 million for the transition government will help with that expedition. I merely point out that before any final resolution of the Marianas' status can be made, we have to resolve the status of all the islands, or at least that is my understanding.

Second, the distinguished Senator from Louisiana has said previously that

we have an obligation to the people of the Marianas, and I think to some degree that may be true. But there is a world of difference between an obligation as trustee under the law and an obligation of adoptive parents, as it were; and there is no question that our obligation to the people of the Marianas, once they become U.S. citizens, as a member of a commonwealth, is tremendously different from our obligation to them at the present time as trustees.

So I think the argument that has been made that we already have an obligation, that this merely changes the name of that obligation, misses a substantial point, and that is that our obligation will be substantially increased.

Mr. GOLDWATER. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. How much time does the Senator require?

Mr. GOLDWATER. About 2 minutes.

Mr. JOHNSTON. I have only 5. I will yield the Senator 2 minutes.

Mr. GOLDWATER. Mr. President, I think we are overlooking something very important on this matter of the Marianas.

Since we foolishly gave up our position on Okinawa, we have to look elsewhere in that part of the Pacific for some kind of temporary and probably permanent base. The islands of Saipan and Tinian are the two that most likely fall under our consideration. So, while I can understand the arguments of the Senator from Colorado, I think it most important that we proceed with the passage of this legislation so that we can give the proper recognition to these people, who have been friendly to us for so long, who suffered through a war on our behalf, recognizing that there may be some things we have to iron out here and there, but I think the strategic importance of the Marianas to the United States is sufficient that we had better get along with this whole job.

Mr. GARY W. HART. Mr. President, if the Senator will yield, I would only make the observation that only this morning, or today, has the debate on the floor of the Senate as to the strategic importance of the Marianas been made. Up to this time, the argument has been that this is what the people of the Marianas want, not that this is a thank-you for services in the past.

Mr. President, this is U.S. citizenship for people 6,000 miles away. I think that is a substantial gift to any people, and I think it should be so interpreted, and should receive very substantial consideration.

I believe we are making very substantial strategic decisions in terms of our military situation and our foreign policy without proper debate on the floor of the Senate. In the time I have remaining, I do want to compliment the Senator from Louisiana for all the time and effort he and others have put in on this proposal. My questioning of the wisdom of the action does not in any way question the length of time the Senator from Louisiana has put in on this very important problem. Would that every Senator had done likewise. If that were true, I would not be on my feet now. But I do not want us to get too far down the road before we recognize the importance of that final decision.

Mr. JOHNSTON. Mr. President, I appreciate the remarks of the Senator from Colorado. I think the Senator from Colorado and the Senator from Virginia have made a very real contribution in sharpening the issues which ultimately will be presented to the Senate of the United States.

But those issues are not now before the Senate. The only thing at issue now is the question of whether or not we will approve the expenditure of $1,500,000.

The PRESIDING OFFICER. Will the Senator suspend at that point? The hour of 3:30 p.m. has arrived.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Louisiana may have 2 additional minutes, at most, to complete his statement, and that thereafter I may proceed for 1 minute before the first rollcall.

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

Mr. JOHNSTON. Mr. President, all that is at issue here is the question of whether we will approve a contingency fund of $1,500,000.

It is clear from the report, it is clear from the debate on the floor of the Senate, that approving the amendment of the Committee will not in any way foreclose or predetermine a later full debate, full discussion, and full committee hearings on the question of the Marianas covenent.

Mr. President, I would like to offer a copy of the Marianas covenent together with a technical agreement regarding use of land, and a memorandum for the chairman of the Marianas Political Status Commission into the RECORD at this time so that when the appropriate time comes all Senators will have the opportunity to read it and to understand it fully.

There being no objection, the compact, agreement and memorandum were ordered to be printed in the RECORD, as follows:

COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH THE UNITED STATES OF AMERICA

Whereas, the Charter of the United Nations and the Trusteeship Agreement between the Security Council of the United Nations and the United States of America guarantee to the people of the Northern Mariana Islands the right freely to express their wishes for self-government or independence; and

Whereas, the United States supports the desire of the people of the Northern Mariana Islands to exercise their inalienable right of self-determination; and

Whereas, the people of the Northern Mariana Islands and the people of the United States share the goals and values found in the American system of government based upon the principles of government by the consent of the governed, individual freedom and democracy; and

Whereas, for over twenty years, the people of the Northern Mariana Islands, through public petition and referendum, have clearly expressed their desire for political union with the United States;

Now, therefore, the Marianas Political Status Commission, being the duly appointed representative of the people of the Northern Mariana Islands, and the Personal Representative of the President of the United States have entered into this Covenant in order to establish a self-governing commonwealth for the Northern Mariana Islands within the American political system and to define the future relationship between the Northern Mariana Islands and the United States. This Covenant will be mutually binding when it is approved by the United States, by the Mariana Islands District Legislature and by the people of the Northern Mariana Islands in a plebiscite, constituting on their part a sovereign act of self-determination.

ARTICLE I

Political relationship

Section 101. The Northern Mariana Islands upon termination of the Trusteeship Agreement will become a self-governing commonwealth to be known as the "Commonwealth of the Northern Mariana Islands", in political union with and under the sovereignty of the United States of America.

Section 102. The relations between the Northern Mariana Islands and the United States will be governed by this Covenant which, together with those provisions of the Constitution treaties and laws of the United States applicable to the Northern Mariana Islands, will be the supreme law of the Northern Mariana Islands.

Section 103. The people of the Northern Mariana Islands will have the right of local self-government and will govern themselves with respect to internal affairs in accordance with a Constitution of their own adoption.

Section 104. The United States will have complete responsibility for and authority with respect to matters relating to foreign affairs and defense affecting the Northern Mariana Islands.

Section 105. The United States may enact legislation in accordance with its constitutional processes which will be applicable to the Northern Mariana Islands, but if such legislation cannot also be made applicable to the several States the Northern Mariana Islands must be specifically named therein for it to become effective in the Northern Mariana Islands. In order to respect the right of self-government guaranteed by this Covenant the United States agrees to limit the exercise of that authority so that the fundamental provisions of this Covenant, namely Articles I, II and III and Sections 501 and 805, may be modified only with the consent of the Government of the United States and the Government of the Northern Mariana Islands.

ARTICLE II

Constitution of the Northern Mariana Islands

Section 201. The people of the Northern Mariana Islands will formulate and approve a Constitution and may amend their Constitution pursuant to the procedures provided therein.

Section 202. The Constitution will be submitted to the Government of the United States for approval on the basis of its consistency with this Covenant and those provisions of the Constitution, treaties and laws of the United States to be applicable to the Northern Mariana Islands. The Constitution will be deemed to have been approved six months after its submission to the President on behalf of the Government of the United States unless earlier approved or disapproved. If disapproved the Constitution will be returned and will be resubmitted in accordance with this Section. Amendments to the Constitution may be made by the people of the Northern Mariana Islands without approval by the Government of the United States, but the courts established by the Constitution or laws of the United States will be competent to determine whether the Constitution and subsequent amendments thereto are consistent with this Covenant and with those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands.

Section 203.

(a) The Constitution will provide for a republican form of government with separate executive, legislative and judicial branches, and will contain a bill of rights.

(b) The executive power of the Northern Mariana Islands will be vested in a popularly elected Governor and such other officials as the Constitution or laws of the Northern Mariana Islands may provide.

(c) The legislative power of the Northern Mariana Islands will be vested in a popularly elected legislature and will extend to all rightful subjects of legislation. The Constitution of the Northern Mariana Islands will provide for equal representation for each of the chartered municipalities of the Northern Mariana Islands in one house of a bicameral legislature, notwithstanding other provisions of this Covenant or those provisions of the Constitution or laws of the United States applicable to the Northern Mariana Islands.

(d) The judicial power of the Northern Mariana Islands will be vested in such courts as the Constitution or laws of the Northern Mariana Islands may provide. The Constitution or laws of the Northern Mariana Islands may vest in such courts jurisdiction over all causes in the Northern Mariana Islands over which any court established by the Constitution or laws of the United States does not have exclusive jurisdiction.

Section 204. All members of the legislature of the Northern Mariana Islands and all officers and employees of the Government of the Northern Mariana Islands will take an oath or affirmation to support this Covenant, those provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands, and the Constitution and laws of the Northern Mariana Islands.

ARTICLE III

Citizenship and nationality

Section 301. The following persons and their children under the age of 18 years on the effective date of this section, who are not citizens or nationals of the United States under any other provision of law, and who on that date do not owe allegiance to any foreign state, are declared to be citizens of the United States, except as otherwise provided in Section 302:

(a) all persons born in the Northern Mariana Islands who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this Section, and who on that date are domiciled in the Northern Mariana Islands or in the United States or any territory or possession thereof;

(b) all persons who are citizens of the Trust Territory of the Pacific Islands on the day preceding the effective date of this Section, who have been domiciled continuously in the Northern Mariana Islands for at least five years immediately prior to that date, and who, unless under age, registered to vote in elections for the Mariana Islands District Legislature or for any municipal election in the Northern Mariana Islands prior to January 1, 1975; and

(c) all persons domiciled in the Northern Mariana Islands on the day preceding the effective date of this Section, who, although not citizens of the Trust Territory of the Pacific Islands, on that date have been domiciled continuously in the Northern Mariana Islands beginning prior to January 1, 1974.

Section 302. Any person who becomes a citizen of the United States solely by virtue of the provisions of Section 301 may within six months after the effective date of that Section or within six months after reaching the age of 18 years, whichever date is the later, become a national but not a citizen of the United States by making a declaration under oath before any court established by the Constitution or laws of the United States or any court of record in the Commonwealth in the form as follows:

"I ——— being duly sworn, hereby declare my intention to be a national but not a citizen of the United States."

Section 303. All persons born in the Commonwealth on or after the effective date of this Section and subject to the jurisdiction of the United States will be citizens of the United States at birth.

Section 304. Citizens of the Northern Mariana Islands will be entitled to all privileges and immunities of citizens in the several States of the United States.

ARTICLE IV

Judicial authority

Section 401. The United States will establish for and within the Northern Mariana Islands a court of record to be known as th "District Court for the Northern Mariana Islands". The Northern Mariana Islands will constitute a part of the same judicial circuit of the United States as Guam.

Section 402.

(a) The District Court for the Northern Mariana Islands will have the jurisdiction of a district court of the United States, except that in all causes arising under the Constitution, treaties or laws of the United States it will have jurisdiction regardless of the sum or value of the matter in controversy.

(b) The District Court will have original jurisdiction in all causes in the Northern Mariana Islands not described in Subsection (a) jurisdiction over which is not vested by the Constitution or laws of the Northern Mariana Islands in a court or courts of the Northern Mariana Islands. In causes brought in the District Court solely on the basis of this Subsection, the District Court will be considered a court of the Northern Mariana Islands for the purposes of determining the requirements of indictment by grand jury or trial by jury.

(c) The District Court will have such appellate jurisdiction as the Constitution or laws of the Northern Mariana Islands may provide. When it sits as an appellate court, the District Court will consist of three judges, at least one of whom will be a judge of a court of record of the Northern Mariana Islands.

Section 403.

(a) The relations between the courts established by the Constitution or laws of United States and the courts of the Northern Mariana Islands with respect to appeals, certiorari, removal of causes, the issuance of writs of habeas corpus and other matters or proceedings will be governed by the laws of the United States pertaining to the relations between the courts of the United States and the courts of the several States in such matters and proceedings, except as otherwise provided in this Article; provided that for the first fifteen years following the establishment of an appellate court of the Northern Mariana Islands, the United States Court of Appeals for the judicial circuit which includes the Northern Mariana Islands will have jurisdiction of appeals from all final decisions of the highest court of the Northern Mariana Islands from which a decision could be had in all cases involving the Constitution, treaties or laws of the United States, or any authority exercised thereunder, unless those cases are reviewable in the District Court for the Northern Mariana Islands pursuant to Subsection 402(c).

(b) Those portions of Title 28 of the United State Code which apply to Guam or the District Court of Guam will be applicable to the Northern Mariana Islands or the District Court for the Northern Mariana Islands, respectively, except as otherwise provided in this Article.

ARTICLE V

Applicability of laws

Section 501.

(a) To the extent that they are not applicable of their own force, the following provisions of the Constitution of the United States will be applicable within the Northern Mariana Islands as if the Northern Mariana Islands were one of the several States: Article I, Section 9, Clauses 2, 3 and 8; Article I, Section 10, Clauses 1 and 3; Article IV, Section 1 and Section 2, Clauses 1 and 2; Amendments 1 through 9, inclusive; Amendment 13; Amendment 14, Section 1; Amendment 15; Amendment 19; and Amendment 26; provided, however, that neither trial by jury nor indictment by grand jury shall be required in any civil action or criminal prosecution based on local law, except where required by local law. Other provisions of or amendments to the Constitution of the United States, which do not apply of their own force within the Northern Mariana Islands, will be applicable within the Northern Mariana Islands only with the approval of the Government of the Northern Mariana Islands and of the Government of the United States.

(b) The applicability of certain provisions of the Constitution of the United States to the Northern Mariana Islands will be without prejudice to the validity of and the power of the Congress of the United States to consent to Sections 203, 506 and 805 and the proviso in Subsection (a) of this Section.

Section 502.

(a) The following laws of the United States in existence on the effective date of this Section and subsequent amendments to such laws will apply to the Northern Mariana Islands, except as otherwise provided in this Covenant:

(1) those laws which provide federal services and financial assistance programs and the federal banking laws as they apply to Guam; Section 228 of Title II and Title XVI of the Social Security Act as it applies to the several States; the Public Health Service Act as it applies to the Virgin Islands; and the Micronesian Claims Act as it applies to the Trust Territory of the Pacific Islands;

(2) those laws not described in paragraph (1) which are applicable to Guam and which are of general application to the several States as they are applicable to the several States; and

(3) those laws not described in paragraphs (1) or (2) which are applicable to the Trust Territory of the Pacific Islands, but not their subsequent amendments unless specifically made applicable to the Nothern Mariana Islands, as they apply to the Trust Territory of the Pacific Islands until termination of the Trusteeship Agreement, and will thereafter be inapplicable.

(b) The laws of the United States regarding coastal shipments and the conditions of employment, including the wages and hours of employees, will apply to the activities of the United States Government and its contractors in the Northern Mariana Islands.

Section 503. The following laws of the United States, presently inapplicable to the Trust Territory of the Pacific Islands, will not apply to the Northern Mariana Islands except in the manner and to the extent made applicable to them by the Congress by law after termination of the Trusteeship Agreement:

(a) except as otherwise provided in Section 506, the immigration and naturalization laws of the United States;

(b) except as otherwise provided in Subsection (b) of Section 502, the coastwise laws of the United States and any prohibition in the laws of the United States against foreign vessels landing fish or unfinished fish products in the United States; and

(c) the minimum wage provisions of Section 6, Act of June 25, 1938, 52 Stat. 1062, as amended.

Section 504. The President will appoint a Commission on Federal Laws to survey the laws of the United States and to make recommendations to the United States Congress

as to which laws of the United States not applicable to the Northern Mariana Islands should be made applicable and to what extent and in what manner, and which applicable laws should be made inapplicable and to what extent and in what manner. The Commission will consist of seven persons (at least four of whom will be citizens of the Trust Territory of the Pacific Islands who are and have been for at least five years domiciled continuously in the Northern Mariana Islands at the time of their appointments) who will be representative of the federal, local, private and public interests in the applicability of laws of the United States to the Northern Mariana Islands. The Commission will make its final report and recommendations to the Congress within one year after the termination of the Trusteeship Agreement, and before that time will make such interim reports and recommendations to the Congress as it considers appropriate to facilitate the transition of the Northern Mariana Islands to its new political status. In formulating its recommendations the Commission will take into consideration the potential effect of each law on local conditions within the Northern Mariana Islands, the policies embodied in the law and the provisions and purposes of this Covenant. The United States will bear the cost of the work of the Commission.

Section 505. The laws of the Trust Territory of the Pacific Islands, of the Mariana Islands District and its local municipalities, and all other Executive and District orders of a local nature applicable to the Northern Mariana Islands on the effective date of this Section and not inconsistent with this Covenant or with those provisions of the Constitution, treaties or laws of the United States applicable to the Northern Mariana Islands will remain in force and effect until and unless altered by the Government of the Northern Mariana Islands.

Section 506.

(a) Notwithstanding the provisions of Subsection 503(a), upon the effective date of this Section the Northern Mariana Islands will be deemed to be a part of the United States under the Immigration and Nationality Act, as amended, for the following purposes only, and the said Act will apply to the Northern Mariana Islands to the extent indicated in each of the following Subsections of this Section.

(b) With respect to children born abroad to United States citizen or non-citizen national parents permanently residing in the Northern Mariana Islands the provisions of Sections 301 and 308 of the said Act will apply.

(c) With respect to aliens who are "immediate relatives" (as defined in Subsection 201(b) of the said Act) of United States citizens who are permanently residing in the Northern Mariana Islands all the provisions of the said Act will apply, commencing when a claim is made to entitlement to "immediate relative" status. A person who is certified by the Government of the Northern Mariana Islands both to have been a lawful permanent resident of the Northern Mariana Islands and to have had the "immediate relative" relationship denoted herein on the effective date of this Section will be presumed to have been admitted to the United States for lawful permanent residence as of that date without the requirement of any of the usual procedures set forth in the said Act. For the purpose of the requirements of judicial naturalization, the Northern Mariana Islands will be deemed to constitute a State as defined in Subsection 101(a) paragraph (36) of the said Act. The Courts of record of the Northern Mariana Islands and the District Court for the Northern Mariana Islands will be included among the courts specified in Subsection 310(a) of the said Act and will have jurisdiction to naturalize persons who become eligible under this Section and who reside within their respective jurisdictions.

(d) With respect to persons who will become citizens or nationals of the United States under Article III of this Covenant or under this Section the loss of nationality provisions of the said Act will apply.

ARTICLE VI

Revenue and taxation

Section 601.

(a) The income tax laws in force in the United States will come into force in the Northern Mariana Islands as a local territorial income tax on the first day of January following the effective date of this Section, in the same manner as those laws are in force in Guam.

(b) Any individual who is a citizen or a resident of the United States, of Guam or of the Northern Mariana Islands (including a national of the United States who is not a citizen), will file only one income tax return with respect to his income, in a manner similar to the provisions of Section 935 of Title 26, United States Code.

(c) References in the Internal Revenue Code to Guam will be deemed also to refer to the Northern Mariana Islands, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof or of this Covenant.

Section 602.

The Government of the Northern Mariana Islands may by local law impose such taxes, in addition to those imposed under Section 601, as it deems appropriate and provide for the rebate of any taxes received by it, except that the power of the Government of the Northern Mariana Islands to rebate collections of the local territorial income tax received by it will be limited to taxes on income derived from sources within the Northern Mariana Islands.

Section 603.

(a) The Northern Mariana Islands will not be included within the customs territory of the United States.

(b) The Government of the Northern Mariana Islands may, in a manner consistent with the international obligations of the United States, levy duties on goods imported into its territory from any area outside the customs territory of the United States and impose duties on exports from its territory.

(c) Imports from the Northern Mariana Islands into the customs territory of the United States will be subject to the same treatment as imports from Guam into the customs territory of the United States.

(d) The Government of the United States will seek to obtain from foreign countries favorable treatment for exports from the Northern Mariana Islands and will encourage other countries to consider the Northern Mariana Islands a developing territory.

Section 604.

(a) The Government of the United States may levy excise taxes on goods manufactured, sold or used or services rendered in the Northern Mariana Islands in the same manner and to the same extent as such taxes are applicable within Guam.

(b) The Government of the Northern Mariana Islands will have the authority to impose excise taxes upon goods manufactured, sold or used in services rendered within its territory or upon goods imported into its territory, provided that such excise taxes imposed on goods imported into its territory will be consistent with the international obligations of the United States.

Section 605.

Nothing in this Article will be deemed to authorize the Government of the Northern Mariana Islands to impose any customs duties on the property of the United States or on the personal property of military or civilian personnel of the United States Government or their dependents entering or leaving the Northern Mariana Islands pursuant to their contract of employment or orders assigning them to or from the Northern Mariana Islands or to impose any taxes on the property, activities or instrumentalities of the United States which one of the several States could not impose; nor will any provision of this Article be deemed to affect the operation of the Soldiers and Sailors Civil Relief Act of 1940, as amended, which will be applicable to the Northern Mariana Islands as it is applicable to Guam.

Section 606.

(a) Not later than at the time this Covenant is approved, that portion of the Trust Territory Social Security Retirement Fund attributable to the Northern Mariana Islands will be transferred to the Treasury of the United States, to be held in trust as a separate fund to be known as the "Northern Mariana Islands Social Security Retirement Fund". This fund will be administered by the United States in accordance with the social security laws of the Trust Territory of the Pacific Islands in effect at the time of such transfer, which may be modified by the Government of the Northern Mariana Islands only in a manner which does not create any additional differences between the social security laws of the Trust Territory of the Pacific Islands and the laws described in Subsection (b). The United States will supplement such fund if necessary to assure that persons receive benefits therefrom comparable to those they would have received from the Trust Territory Social Security Retirement Fund under the laws applicable thereto on the day preceding the establishment of the Northern Mariana Islands Social Security Retirement Fund, so long as the rate of contributions thereto also remains comparable.

(b) Those laws of the United States which impose excise and self-employment taxes to support or which provide benefits from the United States Social Security System will upon termination of the Trusteeship Agreement or such earlier date as may be agreed to by the Government of the Northern Mariana Islands and the Government of the United States become applicable to the Northern Mariana Islands as they apply to Guam.

(c) At such time as the laws described in Subsection (b) become applicable to the Northern Mariana Islands:

(1) the Northern Mariana Islands Social Security Retirement Funds will be transferred into the appropriate Federal Social Security Trust Funds;

(2) prior contributions by or on behalf of persons domiciled in the Northern Mariana Islands to the Trust Territory Social Security Retirement Fund or the Northern Mariana Islands Social Security Retirement Fund will be considered to have been made to the appropriate federal Social Security Trust Funds for the purpose of determining eligibility of those persons in the Northern Mariana Islands for benefits under those laws; and

(3) persons domiciled in the Northern Mariana Islands who are eligible for or entitled to social security benefits under the laws of the Trust Territory of the Pacific Islands or of the Northern Mariana Islands will not lose their entitlement and will be eligible for or entitled to benefits under the laws described in Subsection (b).

Section 607.

(a) All bonds or other obligations issued by the Government of the Northern Mariana Islands or by its authority will be exempt, as to principal and interest, from taxation by the United States, or by any State, territory or possession of the United States, or any political subdivision of any of them.

(b) During the initial seven year period of financial assistance provided for in Section 702, and during such subsequent periods of financial assistance as may be agreed, the

Government of the Northern Mariana Islands will authorize no public indebtedness (other than bonds or other obligations of the Government payable solely from revenues derived from any public improvement or undertaking) in excess of ten percentum of the aggregate assessed valuation of the property within the Northern Mariana Islands.

ARTICLE VII

United States financial assistance

Section 701. The Government of the United States will assist the Government of the Northern Mariana Islands in its efforts to achieve a progressively higher standard of living for its people as part of the American economic community and to develop the economic resources needed to meet the financial responsibilities of local self-government. To this end, the United States will provide direct multiyear financial support to the Government of the Northern Mariana Islands for local government operations, for capital improvement programs and for economic development. The initial period of such support will be seven years, as provided in Section 702.

Section 702. Approval of this Covenant by the United States will constitute a commitment and pledge of the full faith and credit of the United States for the payment, as well as an authorization for the appropriation, of the following guaranteed annual levels of direct grant assistance to the Government of the Northern Mariana Islands for each of the seven fiscal years following the effective date of this Section:

(a) $8.25 million for budgetary support for government operations, of which $250,000 each year will be reserved for a special education training fund connected with the change in the political status of the Northern Mariana Islands;

(b) $4 million for capital improvement projects, of which $500,000 each year will be reserved for such projects on the Island of Tinian and $500,000 each year will be reserved for such projects on the Island of Rota; and

(c) $1.75 million for an economic development loan fund, of which $500,000 each year will be reserved for small loans to farmers and fishermen and to agricultural and marine cooperatives, and of which $250,000 each year will be reserved for a special program of low interest housing loans for low income families.

Section 703.

(a) The United States will make available to the Northern Mariana Islands the full range of federal programs and services available to the territories of the United States. Funds provided under Section 702 will be considered to be local revenues of the Government of the Northern Mariana Islands when used as the local share required to obtain federal programs and services.

(b) There will be paid into the Treasury of the Government of the Northern Mariana Islands, to be expended to the benefit of the people thereof as that Government may by law prescribe, the proceeds of all customs duties and federal income taxes derived from the Northern Mariana Islands, the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in the Northern Mariana Islands and transported to the United States, its territories or possessions, or consumed in the Northern Mariana Islands, the proceeds of any other taxes which may be levied by the Congress on the inhabitants of the Northern Mariana Islands, and all quarantine, passport, immigration and naturalization fees collected in the Northern Mariana Islands, except that nothing in this Section shall be construed to apply to any tax imposed by Chapters 2 or 21 of Title 26, United States Code.

Section 704.

(a) Funds provided under Section 702 not obligated or expended by the Government of the Northern Mariana Islands during any fiscal year will remain available for obligation or expenditure by that Government in subsequent fiscal years for the purposes for which the funds were appropriated.

(b) Approval of this Covenant by the United States will constitute an authorization for the appropriation of a pro-rata share of the funds provided under Section 702 for the period between the effective date of this Section and the beginning of the next succeeding fiscal year.

(c) The amounts stated in Section 702 will be adjusted for each fiscal year by a percentage which will be the same as the percentage change in the United States Department of Commerce composite price index using the beginning of Fiscal Year 1975 as the base.

(d) Upon expiration of the seven year period of guaranteed annual direct grant assistance provided by Section 702, the annual level of payments in each category listed in Section 702 will continue until Congress appropriates a different amount or otherwise provides by law.

ARTICLE VIII

Property

Section 801. All right, title and interest in the Government of the Trust Territory of the Pacific Islands in and to real property in the Northern Mariana Islands on the date of the signing of this Covenant or thereafter acquired in any manner whatsoever will, no later than upon the termination of the Trusteeship Agreement, be transferred to the Government of the Northern Mariana Islands. All right, title and interest of the Government of the Trust Territory of the Pacific Islands in and to all personal property on the date of the signing of this Covenant or thereafter acquired in any manner whatsoever will, no later than upon the termination of the Trusteeship Agreement, be distributed equitably in a manner to be determined by the Government of the Trust Territory of the Pacific Islands in consultation with those concerned, including the Government of the Northern Mariana Islands.

Section 802.

(a) The following property will be made available to the Government of the United States by lease to enable it to carry out its defense responsibilities:

(1) on Tinian Island, approximately 17,799 acres (7,203 hectares) and the waters immediately adjacent thereto;

(2) on Saipan Island, approximately 177 acres (72 hectares) at Tanapag Harbor; and

(3) on Farallon de Medinilla Island, approximately 206 acres (83 hectares) encompassing the entire island, and the waters immediately adjacent thereto.

(b) The United States affirms that it has no present need for or present intention to acquire any greater interest in property listed above than that which is granted to it under Subsection 803(a), or to acquire any property, in addition to that listed in Subsection (a), above, in order to carry out its defense responsibilities.

Section 803.

(a) The Government of the Northern Mariana Islands will lease the property described in Subsection 802(a) to the Government of the United States for a term of fifty years, and the Government of the United States will have the option of renewing this lease for all or part of such property for an additional term of fifty years if it so desires at the end of the first term.

(b) The Government of the United States will pay to the Government of the Northern Mariana Islands in full settlement of this lease, including the second fifty year term of the lease if extended under the renewal option, the total sum of $19,520,600, determined as follows:

(1) for that property on Tinian Island, $17.5 million;

(2) for that property at Tanapag Harbor on Saipan Island, $2 million; and

(3) for that property known as Farallon de Medinilla, $20,600.

The sum stated in this Subsection will be adjusted by a percentage which will be the same as the percentage change in the United States Department of Commerce composite price index from the date of signing the Covenant.

(c) A separate Technical Agreement Regarding Use of Land To Be Leased by the United States in the Northern Mariana Islands will be executed simultaneously with this Covenant. The terms of the lease to the United States will be in accordance with this Section and with the terms of the Technical Agreement. The Technical Agreement will also contain terms relating to the leaseback of property, to the joint use arrangements for San Jose Harbor and West Field on Tinian Island, and to the principles which will govern the social structure relations between the United States military and the Northern Mariana Islands civil authorities.

(d) From the property to be leased to it in accordance with this Covenant the Government of the United States will lease back to the Government of the Northern Mariana Islands, in accordance with the Technical Agreement, for the sum of one dollar per acre per year, approximately 6,458 acres (2,614 hectares) on Tinian Island and approximately 44 acres (18 hectares) at Tanapag Harbor on Saipan Island, which will be used for purposes compatible with their intended military use.

(e) From the property to be leased to it at Tanapag Harbor on Saipan Island the Government of the United States will make available to the Government of the Northern Mariana Islands 133 acres (54 hectares) at no cost. This property will be set aside for public use as an American memorial park to honor the American and Marianas dead in the World War II Marianas Campaign. The $2 million received from the Government of the United States for the lease of this property will be placed into a trust fund, and used for the development and maintenance of the park in accordance with the Technical Agreement.

Section 804.

(a) The Government of the United States will cause all agreements between it and the Government of the Trust Territory of the Pacific Islands which grant to the Government of the United States use or other rights in real property in the Northern Mariana Islands to be terminated upon or before the effective date of this Section. All right, title and interest of the Government of the Trust Territory of the Pacific Islands in and to any real property with respect to which the Government of the United States enjoys such use or other rights will be transferred to the Government of the Northern Mariana Islands at the time of such termination. From the time such right, title and interest is so transferred the Government of the Northern Mariana Islands will assure the Government of the United States the continued use of the real property then actively used by the Government of the United States for civilian governmental purposes on terms comparable to those enjoyed by the Government of the United States under its arrangements with the Government of the Trust Territory of the Pacific Islands on the date of the signature of this Covenant.

(b) All facilities at Isely Field developed with federal aid and all facilities at that field usable for the landing and take-off of aircraft will be available to the United States for use by military and naval aircraft, in common with other aircraft, at all times without charge, except, if the use by mili-

tary and naval aircraft shall be substantial, a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities so used may be charged at a rate established by agreement between the Government of the Northern Mariana Islands and the Government of the United States.

Section 805. Except as otherwise provided in this Article, and notwithstanding the other provisions of this Covenant, or those provisions of the Constitution, treaties or laws of the United States applicable to the Northern Mariana Islands, the Government of the Northern Mariana Islands, in view of the importance of the ownership of land for the culture and traditions of the people of the Northern Mariana Islands, and in order to protect them against exploitation and to promote their economic advancement and self-sufficiency:

(a) will until twenty-five years after the termination of the Trusteeship Agreement, and may thereafter, regulate the alienation of permanent and long-term interests in real property so as to restrict the acquisition of such interests to persons of Northern Mariana Island descent; and

(b) may regulate the extent to which a person may own or hold land which is now public land.

Section 806.

(a) The United States will continue to recognize and respect the scarcity and special importance of land in the Northern Mariana Islands. If the United States must acquire any interest in real property not transferred to it under this Covenant, it will follow the policy of seeking to acquire only the minimum area necessary to accomplish the public purpose for which the real property is required, of seeking only the minimum interest in real property necessary to support such public purpose, acquiring title only if the public purpose cannot be accomplished if a lesser interest is obtained, and of seeking first to satisfy its requirement by acquiring an interest in public rather than private real property.

(b) The United States may, upon prior written notice to the Government of the Northern Mariana Islands, acquire for public purposes in accordance with federal laws and procedures any interest in real property in the Northern Mariana Islands by purchase, lease, exchange, gift or otherwise under such terms and conditions as may be negotiated by the parties. The United States will in all cases attempt to acquire any interest in real property for public purposes by voluntary means under this Subsection before exercising the power of eminent domain. No interest in real property will be acquired unless duly authorized by the Congress of the United States and appropriations are available therefor.

(c) In the event it is not possible for the United States to obtain an interest in real property for public purposes by voluntary means, it may exercise within the Commonwealth the power of eminent domain to the same extent and in the same manner as it has and can exercise the power of eminent domain in a State of the Union. The power of eminent domain will be exercised within the Commonwealth only to the extent necessary and in compliance with applicable United States laws, and with full recognition of the due process required by the United States Constitution.

ARTICLE IX

Northern Mariana Islands representative and consultation.

Section 901. The Constitution or laws of the Northern Mariana Islands may provide for the appointment or election of a Resident Representative to the United States, whose term of office will be two years, unless otherwise determined by local law, and who will be entitled to receive official recognition as such Representative by all of the departments and agencies of the Government of the United States upon presentation through the Department of State of a certificate of selection from the Governor. The Representative must be a citizen and resident of the Northern Mariana Islands, at least twenty-five years of age, and, after termination of the Trusteeship Agreement, a citizen of the United States.

Section 902. The Government of the United States and the Government of the Northern Mariana Islands will consult regularly on all matters affecting the relationship between them. At the request of either Government, and not less frequently than every ten years, the President of the United States and the Governor of the Northern Mariana Islands will designate special representatives to meet and to consider in good faith such issue affecting the relationship between the Northern Mariana Islands and the United States as may be designated by either Government and to make a report and recommendations with respect thereto. Special representatives will be appointed in any event to consider and to make recommendations regarding future multi-year financial assistance to the Northern Mariana Islands pursuant to Section 701, to meet at least one year prior to the expiration of every period of such financial assistance.

Section 903. Nothing herein shall prevent the presentation of cases or controversies arising under this Covenant to courts established by the Constitution or laws of the United States. It is intended that any such cases or controversies will be justifiable in such courts and that the undertakings by the Government of the United States and by the Government of the Northern Mariana Islands provided for in this Covenant will be enforceable in such courts.

Section 904.

(a) The Government of the United States will give sympathetic consideration to the views of the Government of the Northern Mariana Islands on international matters directly affecting the Northern Mariana Islands and will provide opportunities for the effective presentation of such views to no less extent than such opportunities are provided to any other territory or possession under comparable circumstances.

(b) The United States will assist and facilitate the establishment by the Northern Mariana Islands of offices in the United States and abroad to promote local tourism and other economic or cultural interests of the Northern Mariana Islands.

(c) On its request the Northern Mariana Islands may participate in regional and other international organizations concerned with social, economic, educational, scientific, technical and cultural matters when similar participation is auhorized for any other territory or possession of the United States under comparable circumstances.

ARTICLE X

Approval, effective dates, and definitions

Section 1001.

(a) This Covenant will be submitted to the Mariana Islands District Legislature for its approval. After its approval by the Mariana Islands District Legislature, this Covenant will be submitted to the people of the Northern Mariana Islands for approval in a plebiscite to be called by the United States. Only persons who are domiciled exclusively in the Northern Mariana Islands and who meet such other qualifications, including timely registration, as are promulgated by the United States as administering authority will be eligible to vote in the plebiscite. Approval must be by a majority of at least 55% of the valid votes cast in the plebiscite. The results of the plebiscite will be certified to the President of the United States.

(b) This Covenant will be approved by the United States in accordance with its constitutional processes and will thereupon become law.

Section 1002. The President of the United States will issue a proclamation announcing the termination of the Trusteeship Agreement, or the date on which the Trusteeship Agreement will terminate, and the establishment of the Commonwealth in accordance with this Covenant. Any determination by the President that the Trusteeship Agreement has been terminated or will be terminated on a day certain will be final and will not be subject to review by any authority, judicial or otherwise, of the Trust Territory of the Pacific Islands, the Northern Mariana Islands or the United States.

Section 1003. The provisions of this Covenant will become effective as follows, unless otherwise specifically provided:

(a) Section 105, 201–203, 503, 504, 606, 801, 903 and Article X will become effective on approval of this Covenant;

(b) Sections 102, 103, 204, 304, Article IV, Sections 501, 502, 505, 601–605, 607, Article VII, Sections 802–805, 901 and 902 will become effective on a date to be determined and proclaimed by the President of the United States which will be more than 180 days after this Covenant and the Constitution of the Northern Mariana Islands have both been approved; and

(c) The remainder of this Covenant will become effective upon the termination of the Trusteeship Agreement and the establishment of the Commonwealth of the Northern Mariana Islands.

Section 1004.

(a) The application of any provision of which would otherwise apply to the Northern Mariana Islands may be suspended until termination of the Trusteeship Agreement if the President finds and declares that the application of such provision prior to termination would be inconsistent with the Trusteeship Agreement.

(b) The Constitution of the Northern Mariana Islands will become effective in accordance with its terms on the same day that the provisions of this Covenant specified in Subsection 1003(b) become effective, provided that if the President finds and declares that the effectiveness of any provision of the Constitution of the Northern Mariana Islands prior to termination of the Trusteeship Agreement would be inconsistent with the Trusteeship Agreement such provision will be ineffective until termination of the Trusteeship Agreement. Upon the establishment of the Commonwealth of the Northern Mariana Islands the Constitution will become effective in its entirety in accordance with its terms as the Constitution of the Commonwealth of the Northern Mariana Islands.

Section 1005. As used in this Covenant:

(a) "Trusteeship Agreement" means the Trusteeship Agreement for the former Japanese Mandated Islands concluded between the Security Council of the United Nations and the United States of America, which entered into force on July 18, 1947;

(b) "Northern Mariana Islands" means the area now known as the Mariana Islands District of the Trust Territory of the Pacific Islands, which lies within the area north of 14° north latitude, south of 21° north latitude, west of 150° east longitude and east of 144° east longitude;

(c) "Government of the Northern Mariana Islands" includes, as appropriate, the Government of the Mariana Islands District of the Trust Territory of the Pacific Islands at the time this Covenant is signed, its agencies and instrumentalities, and its successors, including the Government of the Commonwealth of the Northern Mariana Islands;

(d) "Territory or possession" with respect to the United States includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa;

(e) "Domicile" means that place where a

person maintains a residence with the intention of continuing such residence for an unlimited or indefinite period, and to which such person has the intention of returning whenever he is absent, even for an extended period.

TECHNICAL AGREEMENT REGARDING USE OF LAND TO BE LEASED BY THE UNITED STATES IN THE NORTHERN MARIANA ISLANDS

The duly authorized representatives of the United States and the people of the Northern Mariana Islands,

Considering that they have today entered into a formal Covenant to establish a Commonwealth of the Northern Mariana Islands in political union with the United States;

Recognizing that Sections 802 and 803 of that Covenant contain provisions relating to the use of land to be leased by the United States in the Northern Mariana Islands for defense purposes;

Noting that the extent of land required for use by the United States has been determined and the precise boundaries agreed upon by both parties hereto; and

Desiring that all basic arrangements relative to land be reduced to a formal land agreement;

Have now entered into the following Technical Agreement which will be deemed to have been approved when the District Legislature of the Mariana Islands District of the Trust Territory of the Pacific Islands approves the Covenant, and which will become effective on the date that Sections 802 and 803 of the Covenant come into force.

PART I. MATTERS TO BE INCLUDED IN LAND LEASES WITH THE UNITED STATES

1. *Description.* Lands to be leased by the United States for defense purposes are set forth in Section 802 of the Covenant and are further described and depicted on the maps attached as Exhibits A, B, and C.

2. *Acquisition.* The Government of the Northern Mariana Islands or the legal land entity established by the Marianas District Legislature to receive and administer public lands in the Northern Mariana Islands, immediately upon request, will execute the lease for the lands being conveyed to the United States Government as described in paragraph 1, above, with the duly authorized representatives of the United States under the terms set forth in Section 803 of the Covenant.

Payment under the lease will be made as soon as practicable after the appropriation of funds by the Congress of the United States. The United States may enjoy full and unrestricted use of the land immediately upon making the above payment. The amount to be paid will be adjusted at the time of payment by a percentage which is the same as the percentage change, up or down, in the United States Department of Commerce composite price index from the date of signing of the Covenant.

Should payment not be made within five years from the date that Sections 802 and 803 of the Covenant come into force, then this Agreement will automatically terminate and both parties will be released from all liability or obligations created by this Agreement and Sections 802 and 803 of the Covenant.

3. *Settlement of Claims and Encumbrances.* Lands leased by the United States Government defined in paragraph 1, above, are subject to the lease of the Micronesian Development Corporation, which will be allowed to continue in accordance with its terms. All other encumbrances on or any adverse possession of lands described in paragraph 1, above, will be removed and all existing claims will be settled by the Government of the Northern Mariana Islands or by the legal entity at no additional cost to the United States Government. The United States Government will, however, pay all Title II benefits due under the Uniform Relocation and Real Property Acquisition Policies Act of 1970.

The United States Government and the Government of the Northern Mariana Islands will consult and coordinate on specific actions by either party that may affect or involve possible adjustments or termination of the Micronesian Development Corporation lease. Both parties will render full assistance to the other towards achieving specific needs with respect to the Micronesian Development Corporation lease, to include either compliance with the terms of the lease, amendments to the lease, or action to terminate the lease. In no event will either party impede the action of the other with respect to the Micronesian Development Corporation lease. The United States Government will be responsible for damages resulting from a breach or early termination of the Micronesian Development Corporation lease resulting solely from United States initiatives. The Government of the Northern Mariana Islands will be responsible for damages resulting from a breach or early termination resulting solely from its initiatives. Both the United States Government and the Government of the Northern Mariana Islands or its legal entity will hold the other harmless from all claims arising by reason of such breaches or termination.

4. *Disposal.* Should the property leased to the United States on Tinian not be required for the needs or the discharge of the responsibilities of the United States Government, or otherwise become surplus property under United States law, the Government of the Northern Mariana Islands or the legal entity will be given first opportunity to acquire the interest of the Government of the United States in such property in accordance with United States law.

5. *Leasebacks.*

A. *Tinian.*

(1) *General.* A total of approximately 6,458 acres (2,614 hectares) out of a total of approximately 17,799 acres (7,203 hectares) on Tinian will be leased back from the land on Tinian described in paragraph 1, above, at such time as the lease to the United States Government for the land on Tinian becomes effective. All leasebacks on Tinian made pursuant to this Agreement will be subject to the following restrictions which will be contained in the leases and will be incorporated in any subleases executed by the Government of the Northern Mariana Islands or by the legal entity:

a. Uses of land must be compatible with planned military activities;

b. There will be no permanent construction without prior consent;

c. Federal Aviation Administration safety zone areas apply with respect to land use;

d. Uses that damage or have a detrimental effect on subsequent use of the land will not be permitted;

e. All leasebacks will be subject to cancellation upon one year's notice, or sooner in the event of urgent military requirement or national emergency; and

f. Provisions for fair compensation in the event of cancellation or early termination will be included.

(2) *Area South of Present West Field.* Approximately 1,335 acres (540 hectares) lying south of West Field including the harbor area, as indicated in Exhibit A, will be made available to the Government of the Northern Mariana Islands or the legal entity under leaseback. This leaseback will be for a term of ten years with renewal rights for an additional ten years upon the approval of the United States Government, except for the harbor area which will be on a five year basis renewable with United States Government approval. These leasebacks will be for the sum of one dollar per acre per year. The Government of the Northern Mariana Islands or the legal entity may in turn sub-lease these lands on terms compatible with the leaseback, with such sub-leases subject to immediate revocation in the event of violation of their terms. Permissible uses are grazing, agriculture that does not interfere with flight safety, and other possible uses that may be approved from time to time by the United States Government.

(3) *Area North of Present West Field and East of Broadway.* The lands north of West Field and east of Broadway, indicated in Exhibit A, will continue to be used in accordance with the terms and conditions of the current lease with the Micronesian Development Corporation. This includes approximately 4,010 acres (1,623 hectares).

(4) *Military Maneuver Area on Tinian—Grazing Leases.* The United States will lease back the land within all but two of the existing grazing leases in the proposed maneuver area north of West Field shown in Exhibit A.

Substitute grazing leases will be made available within areas set aside for maneuvers north of West Field for the two leases indicated in Exhibit A which are presently located in areas with a high probability of their being used by United States forces, which renders them unsuitable for leaseback. This agreement is limited to accommodation of persons actually using this leased land for grazing purposes as of December 19, 1974. All such leases will be for five years at one dollar per acre per year, renewable with United States Government approval for additional periods of up to five years and subject to immediate revocation in the event of violation of their terms. Grazing will be the only use permitted unless authorized by the United States Government. Approximately 610 acres (247 hectares) will be leased back in this category.

(5) *Military Maneuver Area on Tinian—Present Private Owners.* There are 38 deeded homestead parcels and six pending homesteads in the maneuver area as indicated in Exhibit A. The Government of the Northern Mariana Islands or the legal entity will acquire the land at no additional cost to the United States Government and will provide an opportunity for the owners of these homesteads who may be eligible for new homesteads as a result of their displacement to exchange their land with comparable lands outside the military area. The homestead owners will be fully compensated by the Government of the Northern Mariana Islands or by the legal entity if they do not choose this exchange and will, in addition, receive from the United States Government whatever relocation compensation and assistance to which they would be entitled under United States law. After this land now held as homesteads is acquired by the United States Government by lease from the Government of the Northern Mariana Islands or from the legal entity the United States Government will, on a case-by-case basis and on request, lease it back to those former owners who wish to continue to farm the land for periods of five years at one dollar per acre per year, renewable with United States approval for additional periods of up to five years. Approximately 503 acres (204 hectares) are involved in this category.

(6) *Civilian Aviation Terminal Facilities, West Field.* The present existing civilian air terminal may remain until its relocation is determined to be necessary by the United States Government. Sufficient land will be made available at nominal cost adjacent to the present or a future runway for civilian terminal facilities, including aprons, aircraft parking, terminal buildings(s), automobile parking and roadways. If a future relocation becomes necessary, the United States will reimburse the Government of the Northern Mariana Islands for fair value of

the then-existing terminal building and make alternate land available at nominal cost as near to the runways and related taxiways as practicable for construction by the Government of the Northern Mariana Islands of new terminal facilities. The costs of again relocating the terminal facilities, along with construction costs for necessary replacement of apron and parking areas, will be borne by the United States Government. Ample land provision will be made, also at nominal cost, for necessary growth and expansion of the civilian facility.

B. *Saipan-Tanapag Harbor.* The United States Government will make available to the Government of the Northern Mariana Islands without cost 133 acres (53.8 hectares) out of the 177 acres (71.6 hectares) leased to the United States Government at Tanapag Harbor, as indicated in Exhibit B. This area will be set aside for public use as an American memorial park to honor the American and Marianas dead in the Warld War II Marianas campaign. Two million dollars ($2,000,000) of the total funds paid by the United States Government will be placed in a trust fund by the Government of the Northern Mariana Islands, or by the legal entity, with income from the fund used to develop and maintain the memorial park. Income from this trust fund may be utilized for other purposes only with the concurrence of the United States Government. The United States will assist in this development by providing assistance in planning and technical advice. Adequate space will be provided the United States Government to construct at its expense a memorial to the Americans who died in the Marianas campaign. In addition, the Government of the Northern Mariana Islands may erect its own memorial to Marianas war dead at its expense. The remaining 44 acres (17.8 hectares) will be made available to the Government of the Northern Mariana Islands or to the legal entity by leaseback on the same terms and conditions named in paragraph 5A (1), above, as appropriate. Uses of the 44 acres must be harbor-related as determined by the United States. The definition of harbor-related activities will be made available to the Government of the Northern Mariana Island on request and incorporated in subleases in the area. Leases will be for ten years and will be automatically renewable.

C. *Other Leasebacks.* The Government of the United States may from time to time lease back other land temporarily in excess within the land described in paragraph 1, above, to the Government of the Northern Mariana Islands or to the legal entity in accordance with applicable laws and regulations.

PART II. JOINT USE

The Government of the United States or its duly authorized representative will enter into joint use agreements with a duly authorized agency or agencies of the Government of the Northern Mariana Islands, when such agency or agencies have been established by the Government of the Northern Mariana Islands, which will cover among other things the following:

1. *San Jose Harbor, Tinian.* San Jose Harbor will initially be under Government of the Northern Mariana Islands control under specific terms of the leaseback. If a decision is made by the Department of Defense to implement plans for an operational joint service base on Tinian, appropriate joint control arrangements will be agreed upon for the construction and subsequent periods to accommodate the needs of the civilian community along with military needs. At such time as joint control arrangements become necessary, the feasibility of adopting standards which will permit the uninterrupted commercial shipping operations during fuel transfer operations will be investigated so as to minimize the possible interference with civilian activity. When the United States upgrades the existing harbor the Government of the Northern Mariana Islands will upgrade its approximately 600 feet of wharf space or reimburse the United States for having such services performed as part of the United States construction project.

With respect to the two plots totaling approximately nine acres (3.6 hectares) immediately adjacent to the 600-foot civilian wharf shown in Exhibit A, the Government of the Northern Mariana Islands will place appropriate restrictions on their use for harbor-related activities only.

2. *West Field, Tinian*

A. *General Use.* For aviation purposes the Government of the Northern Mariana Islands and the civilian community of Tinian will have continuous joint use of West Field with exceptions for safety of flight and priority military operations. The Government of the Northern Mariana Islands will have operational responsibility for West Field, except during periods of military use, until the United States assumes permanent operational responsibility. During such periods the Department of Defense will assume operational responsibility and control.

B. *Development Costs.* The cost of improving and maintaining present civilian terminal facilities will be borne by the Government of the Northern Mariana Islands.

C. *Fuel Supplies.* After the United States military takes over control and management of the field standard military aviation fuels and oils will be supplied as soon as they become available, subject to Federal Energy Administration allocation, on a cost basis by the Government of the United States to the Government of the Northern Mariana Islands for civil and compatible commercial aviation needs on Tinian. It is understood that provision of such fuels and oils will not be permitted to compete with private commercial enterprises performing this service.

D. *Terminal Utilities.* The Government of the United States during its planning of future base facilities will take into consideration the needs of the future civilian terminal area for water, power, telephone and other utilities applicable to a terminal facility so as to make available to the civilian terminal appropriate utility hookups at the closest practicable locations to allow for civilian development of these utilities and joint use thereafter on a reimbursable basis.

E. *Use of Present Facilities.* The use of facilities presently in existence at the West Field location and the use of the present air strip will continue on an uninterrupted basis prior to, during and subsequent to initial construction upgrade and during any future improvement program to the greatest extent possible. There will be close coordination with the Government of the Northen Mariana Islands to insure as little hardship as possible should interruptions of the use of the present West Field and its terminal facilities be necessary for military operations such as maneuvers. The use of a runway and taxiways may be curtailed from time to time to allow appropriate and adequate construction and repair work to be accomplished. This construction and repair work will at all times be coordinated with the civilian community so as to minimize any hardships involved.

F. *United States Facilities.* When an operational military airfield is established at West Field, Tinian, the United States Government will provide such aircraft and structural fire protection services and aircraft crash rescue services as are available. The cost of such services shall be borne by the United States Government, subject to charging appropriate fees for users of these services.

G. *Landing Fees.* At such time as the military forces permanently take over operation of West Field, commercial aircraft will be charged the minimum allowable landing fees according to the standard policy of the appropirate military department, and collection will be in accordance with the terms of the formal joint use agreement. In the interim the Government of the Northern Mariana Islands may establish and collect landing fees from all non-United States Government aircraft.

H. *Access, Security and Customs.*

(1) Access to the present and future civilian air terminal area will be unrestricted.

(2) Security in and around the present and future civilian air terminal and operation and maintenance of the civilian facilities will be the responsibility of the Government of the Northern Mariana Islands or its representative.

(3) Customs inspections of all persons, baggage and freight will be in accord with all applicable laws and implementing regulations with the general principle established that whenever and wherever possible this customs inspection shall be performed in the military area by customs inspectors arranged for by the military and in the civilian area by customs inspectors arranged for by the Government of the Northern Mariana Islands.

PART III. SOCIAL AND CIVIL INFRASTRUCTURE ARRANGEMENTS

The following provisions, unless modified in writing by mutual agreement of the duly authorized representatives of the United States Government and the Government of the Northern Mariana Islands, will govern the future relations between the United States military forces in the Northern Mariana Islands and the civil authorities thereof. Coordination on these arrangements will be accomplished through a Civil-Military Advisory Council organized as soon as required after implementation of this Agreement.

1. *Civilian Responsibilities.* It is understood that the Government of the Northern Mariana Islands has full responsibility for planning, as well as developing, all facilities and services for the Tinian civilian community.

2. *Fishing and Shoreline Activities, Tinian.* All shoreline areas in and around the northern two-thirds of Tinian will remain open to fishermen at all possible times except for those limited areas that must be closed to comply with safety, security and hazardous risk requirements as may develop from either military activities or commercial activities.

3. *Beaches, Tinian.* Marianas citizens will have the same access to beach areas in the military areas of Tinian for recreational purposes as military personnel and their dependents. During times of military maneuvers, operations or related activity the use of certain beaches or areas of the beach will be restricted. Closure for such purposes, however, will be kept to a minimum consistent with military requirements in the interest of safety and security. Conduct of all personnel within the beach area and use of these areas will be subject to applicable military regulations.

4. *Utilities*

A. Utilities planning will be undertaken for Tinian on an island-wide basis, taking into account reasonable projections of civilian population at the time development by the military becomes necessary. Planning accomplished by the United States will be closely coordinated with planning by the Government of the Northern Islands. The Government of the Northern Mariana Islands will bar the cost of civilian planning by either undertaking the planning work or reimbursing the United States for planning services.

B. The Government of the Northern Mariana Islands will take necessary action to obtain such federal funds as are available for planning pursuant to the Housing and Community Development Act of 1974 and other relevant laws.

C. When utilities are constructed for military purposes the United States Government will make excess capacity of utilities available to the civilian community on Tinian on an appropriate fee basis if desired. Use of this excess capacity by the civilian community is to be without contribution into the development costs of the capacity, and the United States Government will not be expected to create or to insure any such excess capacity for the civilian community on Tinian.

D. When utilities are constructed for military purposes, additional capacity can be added subject to full payment for the incremental costs by the Government of the Northern Mariana Islands.

5. *Water.* Potable water will be made available to the United States military base by the Government of the Northern Mariana Islands at a mutually agreed cost.

6. *Medical Care.* In accordance with applicable guidelines and regulations, emergency care in military facilities established in Tinian will be provided by the military to all residents of Tinian when available on the island. In addition medical care in military health facilities on Tinian on a nonemergency basis will be provided residents of Tinian where civilian capacity is nonexistent, subject to the capacity and capability of the military and professional staff and availability of such Tinian military health facilities. Costs for all medical care will be at the prevailing reimbursement rates.

7. *Fire Protection.* When military firefighting facilities become necessary a mutual fire protection aid agreement similar to that type of agreement presently provided voluntarily by the military services in other locations will be entered into between the military facility on Tinian and the local community.

8. *Base Exchange, Commissary and Movies.* At such time as an operating base is established purchasing of commodities by the civilian community from the base exchange and commissary will be prohibited, but use of base movies by the civilian community as guests in accordance with existing regulations will be permitted.

9. *Schools.* Prior to the arrival of significant numbers of school age dependents of military personnel, appropriate local and federal officials will initiate such advance consultation and school development programs as necessary to secure federal assistance as may be required for an integrated local school system adequate to provide for all stages of Tinian's development. The Department of Defense will consult with and advise the appropriate officials of the Northern Mariana Islands as soon as possible regarding such programmed arrivals.

10. *Assistance to the Community.* The United States Government will consider sympathetically all bona fide requests from the community or its residents for materials or technical assistance, from resources on the base, in the event local resources are insufficient to meet the community needs.

11. *Economic Opportunity.* To the extent practicable appropriate United States military and civilian authorities or contractors executing United States Government contracts will attempt to utilize the resources and services of people of the Northern Mariana Islands in construction, development, supply and maintenance activities in the Marianas. Further, United States military and civilian authorities will, whenever practicable, provide technical and training assistance to the people of the Northern Mariana Islands in accordance with applicable United States law to assist in their achievement of necessary skills.

PART IV. IMPLEMENTATION

This Technical Agreement will become effective when Sections 802 and 803 of the Covenant come into force. Subordinate formal implementing agreements are to be executed as soon as possible.

Signed at Saipan, Mariana Islands on the fifteenth day of February, 1975.

For the people of the North Mariana Islands: Edward DLG. Pangelinan, Chairman, Marianas Political Status Commission; Vicente N. Santos, Vice Chairman, Marianas Political Status Commission.

Members of the Marianas Political Status Commission: Juan LG. Cabrera, Vicente T. Camacho, Jose R. Cruz, Bernard V. Hofschneider, Benjamin T. Manglona, Daniel T. Muna, Dr. Francisco T. Palacios, Joaquin I. Pangelinan, Felix F. Rabauliman, Oscar C. Rasa, Manuel A. Sablan, Joannes R. Taimano, and Pedro A. Tenorio.

For the United States of America: Ambassador F. Hayden Williams, Personal Representative of the President of the United States.

Memorandum For: The Chairman, Marianas Political Status Commission, The President's Personal Representative for Micronesian Status Negotiations.

Subject: Report of the Joint Drafting Committee on the Negotiating History.

Pursuant to decisions taken in December during the fifth series of negotiations in Saipan on the future political status of the Marianas, the joint Marianas-United States Drafting Committee has met and has undertaken to record the intention of the parties regarding certain provisions of the Covenant. We submit our report herewith.

The results of our discussions are reflected in the attached draft negotiating history which is recommended by the Joint Drafting Committee for your consideration. The draft serves to set out our tentative agreement on a number of substantive matters. We recommend that it be approved by both delegations and incorporated into the official record.

HOWARD P. WILLENS,
Counsel,
Marianas Political Status Commission.
JAMES M. WILSON, JR.,
U.S. Deputy Representative.

Approved by the delegations of the Northern Mariana Islands and the United States on February fifteenth, 1975.

EDWARD DLG. PANGELINAN,
Chairman,
Marianas Political Status Commission.
Ambassador F. HAYDEN WILLIAMS
The President's Personal Representative for Micronesian Status Negotiations.

REPORT OF THE DRAFTING COMMITTEE

Section 101. Inasmuch as the definition of the term "Northern Mariana Islands" in Subsection 1005(b) is incorporated in Article I, it is understood that the geographic integrity of the Northern Mariana Islands is subject to the mutual consent requirement of Section 105.

Section 103. The Government of the Northern Mariana Islands will not be considered an agency or instrumentality of the United States Government.

Section 104. Reference to the federal powers mentioned in this Section is not intended to derogate from the sovereignty vested in th United States by Section 101 or the legislative powers vested in the United States by Section 105.

Section 105. It is intended that prior to the termination of the Trusteeship Agreement the consent of the Northern Mariana Islands envisaged by this Section may not be given without the consent of the popularly elected legislature. It is understood that the authority of the United States under this Section will be exercised through, among other provisions of the United States Constitution, Article IV, Section 3, Clause 2.

Section 202. The authority of the federal courts to determine whether or not the Constitution of the Northern Mariana Islands and subsequent amendments thereto are consistent with the provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands is not intended to be exclusive so as to preempt the power of the courts of the Northern Mariana Islands to make such determinations in appropriate cases.

Subsection 203(c). It is the intention of the parties that the provision stating that the legislative powers of the Northern Mariana Islands will extend "to all rightful subjects of legislation" be broadly interpreted, consistent with Section 102, to mean that the power of the legislature will be limited only by the terms of the Convenant, the provisions of the Constitution, treaties and laws of the United States applicable to the Northern Mariana Islands and the Constitution of the Northern Mariana Islands.

It is also the intention of the parties, as reflected in the unanimous view of the members of the Marianas Political Status Commission, that the Northern Mariana Islands Constitution provide for a distribution of the membership of one house of the legislature on the basis of appropriate considerations in addition to population and in particular that the phrase "chartered municipalities of the Northern Mariana Islands" be interpreted to mean the present chartered municipalities of Rota, Saipan and Tinian as constituted at the time of signature of this Covenant and any additional future chartered municipalities that may be added pursuant to the terms of the Constitution of the Northern Mariana Islands.

Section 401. The establishment of a district court for the Northern Mariana Islands does not preclude the appointment of the District Judge, United States Attorney and United States Marshal for Guam to hold the corresponding offices in the Northern Mariana Islands at the same time. The United States Congress, in its discretion, may also provide that the United States Attorney and the United States Marshall for the Northern Mariana Islands are authorized or required to perform, at the request of the Government of the Northern Mariana Islands, certain functions related to the execution of the local laws.

Subsection 402(c). It is the intention of the parties with respect to this Subsection that the Legislature of the Northern Mariana Islands be under no obligation to grant any appellate jurisdiction to the District Court for the Northern Mariana Islands. The Legislature may choose at any time and from time to time to establish appellate courts of the Northern Mariana Islands and to eliminate or reinstate the appellate jurisdiction of the District Court.

Subsection 501(a). This Subsection is intended, among other things, to extend to the people of the Northern Mariana Islands the basic rights of United States citizenship and to make applicable to them certain of the constitutional provisions governing the relationship between the federal government and the States, as if the Northern Mariana Islands were a State. As reflected in this Subsection the parties recognize that certain provisions of the Constitution of the United States will apply to the Northern Mariana Islands of their own force by virtue of Article I of this Covenant.

The inclusion or omission of the power to legislate in the specific reference to certain provisions of the Constitution of the United States is not designed to affect the authority of the United States to legislative with respect to the Northern Mariana Islands. That power is governed by Article I.

Subsection 501(b). The provisions of the Covenant referred to in this Subsection constitute integral parts of the mutual compromises and concessions without which the accession of the Northern Mariana Islands to the United States would not have been

possible. The inclusion of any of those provisions in this Subsection should not imply that these provisions are in conflict with the Constitution of the United States.

Section 502. The interim formula stated in this Section is not intended to be the exclusive method by which laws of the United States are or can be made applicable to the Northern Mariana Islands. The Congress of the United States will have power subject to Section 105 to alter the manner and extent to which laws covered by the formula apply to the Northern Mariana Islands, to make laws not covered by the formula applicable or to make laws covered by the formula inapplicable. The formula does not make the Northern Mariana Islands into a territory or possession of the United States prior to termination. In many instances, however, the Northern Mariana Islands will be treated as if it were a territory or possession of the United States prior to termination, for many laws applicable to Guam because it is a territory or possession will become applicable to the Northern Mariana Islands.

The phrase "applicable to Guam" or "applicable to the Trust Territory of the Pacific Islands" in this Section is to mean "applicable within" as well as "with respect to" the geographic areas mentioned or the people who reside in or who are citizens of those geographic areas.

The term "the federal banking laws" in Subsection (a) has particular reference to Sections 13, 25 and 25(a) of the Federal Reserve Act, as amended (12 U.S.C. 466, and 601–632, respectively) and Section 5191 of the Revised Statutes (12 U.S.C. 143). The reference to the Micronesian Claims Act in Subsection (a) is not intended to preclude the Northern Mariana Islands from seeking such amendments to the Act, or increased appropriations for its implementation, as appear appropriate or desirable.

Subsection 503(a). It is understood that the laws of the Trust Territory of the Pacific Islands, as modified by the Government of the Northern Mariana Islands pursuant to its authority, which relate to the subjects addressed in this Subsection, will continue to be effective after termination of the Trusteeship Agreement, except to the extent that they are modified by federal law after termination or by the Government of the Northern Mariana Islands.

Section 504. The provision that the United States will bear the cost for the work of the Commission does not mean that the United States will pay the salary of the four Commissioners who are domiciled in the Northern Mariana Islands.

Section 506. To the extent that the United States law does not apply, the Northern Mariana Islands has the power over immigration into its territory. An immediate relative of a United States citizen residing in the Northern Mariana Islands may gain admission to the Northern Mariana Islands in accordance with local law without claiming at that time entitlement to immediate relative status under the United States Immigration and Nationality Act.

Section 601. The revenue provisions of the Covenant are not designed to render the Federal Unemployment Tax and the benefits derived therefrom applicable to the Northern Mariana Islands.

Subsection 603(b). The parties believe that the treatment provided for in this Subsection is consistent with the obligations of the United States under the General Agreement on Tariffs and Trade. However, this Subsection is not intended to conflict with United States international obligations and does not require that the United States take any action which would be inconsistent with such obligations. Should such a conflict arise, the United States will seek appropriate waivers or modifications of its international obligations.

Subsection 603(d). The term "a developing territory" as used in this Subsection is intended to refer to the June 25, 1971 General Agreement on Tariffs and Trade waiver regarding preferential tariff treatment of goods from developing countries and territories and to other similar benefits which may be available to the Northern Mariana Islands.

Section 702. It was not considered necessary to include this Section among the provisions listed in Section 105 which may be modified only by mutual consent. The reason for this omission is that, while Section 702 constitutes a commitment on the part of the United States Government, it is of a transitional nature extending for seven years following the establishment of the new Government. In addition, a failure to appropriate funds as required by that Section would constitute a dispute under Article IX which could be submitted to the courts pursuant to the provisions of that Article.

Subsection 704(c). The reference in this Subsection and in Subsection 803(e) to a United States Department of Commerce composite price index is intended to refer to the United States Gross National Product Implicit Price Deflator.

Section 803. It is understood that the Government of the Northern Mariana Islands may exercise its obligations and rights under this Article through a legal entity established to receive and hold public lands in trust for the people of the Northern Mariana Islands.

Section 805. The parties intend that it will be the responsibility of the Government of the Northern Mariana Islands to implement the provisions of this Section. In particular, the parties understand that the Constitution or laws of the Northern Mariana Islands will define the operative terms in this Section, including such terms as "long-term interest in real property", "acquisition" and "persons of Northern Mariana Islands descent".

Subsection 806(a). The use of any property or interest acquired by the United States pursuant to this Subsection will not be limited to the public purposes for which it was originally obtained.

Section 901. This Section is not intended to preclude the Government of the Northern Mariana Islands from requesting the Congress of the United States to confer non-voting delegate status on the Resident Representative provided for in this Section.

Subsection 904(c). The parties note that this Subsection is not intended to preclude the Government of the Northern Mariana Islands from discussing matters of mutual concern with other Pacific island communities.

Section 1001. In accordance with the request of the Marianas District Legislature, the United States intends to administer the Mariana Islands District separately from the remainder of the Trust Territory following approval of the Covenant by the people of the Northern Mariana Islands. In establishing other qualifications for voting in the plebiscite the United States will consult with representatives of the Marianas District Legislature and other local leaders.

Section 1002. The parties note that the United States has stated that it is now planning on a provisional basis to terminate the Trusteeship for all the districts by 1981.

Mr. JOHNSTON. Mr. President, this measure does not imply in any manner approval of that covenant, but simply offers a facile way, an orderly way, to get the transition funded should Congress approve it after the people of the Marianas approve it. That is all that is involved in this amendment, and I urge the Senate to approve it.

UNANIMOUS-CONSENT AGREEMENT—ORDER OF VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the votes occur in the following manner and in the following: The vote on S. 1172 is already scheduled to be the first vote, and to be followed by the vote on House concurrent resolution 133 as amended.

I ask unanimous consent that the votes then occur as follows: The vote on the committee amendment to S. 326, and that the disposition of that measure then immediately follow; to be followed by the vote on the Proxmire amendment to H.R. 3260.

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

Mr. ROBERT C. BYRD. Mr. President, can we begin voting now?

TEN-YEAR TERM FOR THE APPOINTMENT OF THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION

The PRESIDING OFFICER (Mr. GARN). The Chair lays before the Senate S. 1172. The bill will be stated by title.

The Assistant legislative clerk read as follows:

Calendar No. 35. S. 1172, a bill to amend title VI of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a 10-year term for the appointment of the Director of the Federal Bureau of Investigation.

The Senate proceeded to consider the bill.

A 10-YEAR TERM FOR THE FBI DIRECTOR

Mr. ROBERT C. BYRD. Mr. President, the bill now before the Senate would limit the tenure of the Director of the Federal Bureau of Investigation to a single 10-year term. I originally introduced the legislation in the 93d Congress, and, after hearings by the Senate Judiciary Committee, it was approved by the Senate on October 7, 1974, by a vote of 70 to 0.

Unfortunately, the House of Representatives did not have time to act on the measure before Congress adjourned.

This bill would aid in insulating the FBI Director against politically motivated manipulation from the executive branch by giving the office a tenure of 10 years; and, at the same time, it would minimize the dangers of autocratic control of the Bureau by a Director who had built up a concentration of power over a long period of time by placing a limitation on the amount of years that one man could serve as Director of the FBI.

Until 1968, the Director of the Federal Bureau of Investigation was an appointee of the Attorney General. In 1968, the Congress passed Public Law 90–351, title VI, section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968, which amended title 28, United States Code, section 532, making the Director of the Federal Bureau of Investi-

gation a Presidential appointment subject to advice and consent of the Senate.

There was no provision in the 1968 statute as to the duration of the appointment of the FBI Director. It became apparent during the confirmation hearings on L. Patrick Gray to be FBI Director that if high executive branch officials could attempt to misuse the FBI by means of unjustified requests to an Acting Director who wished to be nominated as permanent Director, then the same tactics could be applied to an incumbent FBI Director who had no protection of a fixed term for his position. Under the provisions of my bill, there is no limitation on the constitutional power of the President to remove the FBI Director from office within the 10-year term. The Director would be subject to dismissal by the President, as are all purely executive officers.

However, the setting of a 10-year term of office by the Congress would, as a practical matter, preclude—or at least, inhibit—a President from arbitrarily dismissing an FBI Director for political reasons, since a successor would have to be confirmed by the Senate.

This bill will aid in minimizing the danger of political manipulation of the Bureau and, at the same time, lessen the long-range danger of an individual's becoming a law unto himself by retention of the directorship over a long period of time. The lessons of recent years have been many, one of which was that safeguards within the system of checks and balances must be protected. Where there are no safeguards, they must be erected.

Mr. President, the merits of this bill are, I believe, obvious as is the need for this legislation. I hope the Senate will again pass the bill, and that the House, too, will act affirmatively during this Congress.

Mr. HRUSKA. I thank the Senator for the courtesy and the patience of engaging in this colloquy. I feel the recital of reasons on the part of this Senator might serve some purpose, either in consideration of this bill in the other body, or perhaps in conference if the bills are dissimilar enough to require a conference.

Mr. President, I favor this instant bill and its provision for a fixed term of office for the Director of the Federal Bureau of Investigation.

Establishing a fixed period of time for the service of the Director will lend stability to that office and assure a degree of continuity to that superb organization. This legislation may also lessen the concern of some who fear that appointment of individuals for an unspecified time may be done for political purposes. The 10-year duration of office will provide the Director the opportunity to devise and implement policies of a long-range nature. It will lessen any potential for buildup of any political pressure as well as incentives for same.

However, the record should be made clear that the stability which we are attempting with this legislation will not interfere with the Presidential power of removal. This bill does not attempt to curtail this constitutional power of the Chief Executive. Should the President seek to remove a Director of the FBI, an executive officer, prior to the expiration of the 10-year term, he would be free to do so.

This Presidential constitutional removal power has been long recognized. In *Myers* v. *United States*, 272 U.S. 52 (1926), the Court addressing this question wrote:

> If there is any point in which the separation of legislative and executive powers ought to be maintained with great caution, it is that which relates to officers and offices . . . The vesting of executive power in the President was essentially a grant of the power to execute the laws . . . As he is charged specifically to take care that they be faithfully executed, the reasonable implication, even in the absence of express words, was that as part of this executive power he should select those who were to act for him under his direction in the execution of the laws. The further implication must be, in the absence of any express limitation respecting removals, that as his selection of administrative officers is essential to the execution of the laws by him, so must be his power of removing those for whom he cannot continue to be responsible.

This principle, enunciated in the *Myers* case, has been reaffirmed more recently in *Humphrey* v. *United States*, 295 U.S. 602 (1934) and *Wiener* v. *United States*, 357 U.S. 349 (1957).

Over all, the passage of the subject bill will result an improvement the present undeterminate tenure. The bill should be approved.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) and the Senator from Indiana (Mr. HARTKE) are absent on official business.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE) and the Senator from Indiana (Mr. BAYH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Alaska (Mr. STEVENS) are 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 Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—85

Allen	Gravel	Muskie
Baker	Griffin	Nelson
Bartlett	Hansen	Nunn
Beall	Hart, Gary W.	Packwood
Bellmon	Haskell	Pastore
Bentsen	Hatfield	Pearson
Biden	Hathaway	Pell
Brock	Helms	Percy
Brooke	Hruska	Proxmire
Bumpers	Huddleston	Randolph
Burdick	Humphrey	Ribicoff
Byrd, Harry F., Jr.	Inouye	Roth
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Johnston	Scott, William L.
Chiles	Kennedy	Sparkman
Clark	Laxalt	Stafford
Cranston	Leahy	Stennis
Culver	Magnuson	Stevenson
Curtis	Mathias	Stone
Dole	McClellan	Symington
Domenici	McClure	Talmadge
Fannin	McGee	Thurmond
Fong	McGovern	Tower
Ford	McIntyre	Tunney
Garn	Metcalf	Weicker
Glenn	Montoya	Williams
Goldwater	Morgan	Young
	Moss	

NAYS—0

NOT VOTING—14

Abourezk	Eastland	Mansfield
Bayh	Hart, Philip A.	Mondale
Buckley	Hartke	Stevens
Church	Hollings	Taft
Eagleton	Long	

So the bill (S. 1172) was passed, as follows:

S. 1172

To amend title VI of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a ten-year term for the appointment of the Director of the Federal Bureau of Investigation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new section:

"(b) Effective with respect to any individual appointment by the President, by and with the advice and consent of the Senate, after June 1, 1973, the term of service of the Director of the Federal Bureau of Investigation shall be ten years. A Director may not serve more than one ten-year term. The provisions of subsections (a) through (c) of section 8335 of title 5, United States Code, shall apply to any individual appointed under this section.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS subsequently said Mr. President, I missed the vote on S. 1172. I ask unanimous consent that the RECORD show that I would have voted for that bill. I was delayed in the office of the physician.

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

THE CONDUCT OF MONETARY POLICY

The Senate continued with the consideration of the concurrent resolution (H. Con. Res. 133) referring to the conduct of monetary policy.

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

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. May we have order in the Senate? The Senate will be in order. The clerk will not continue the rollcall until the Senate is in order.

The second assistant legislative resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. MANSFIELD), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Indiana (Mr. BAYH) are absent on official business.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) 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 Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—86

Allen	Griffin	Nunn
Baker	Hansen	Packwood
Bartlett	Hart, Gary W.	Pastore
Beall	Haskell	Pearson
Bellmon	Hatfield	Pell
Bentsen	Hathaway	Percy
Biden	Helms	Proxmire
Brock	Hruska	Randolph
Brooke	Huddleston	Ribicoff
Bumpers	Humphrey	Roth
Burdick	Inouye	Schweiker
Byrd,	Jackson	Scott, Hugh
Harry F., Jr.	Javits	Scott,
Byrd, Robert C.	Johnston	William L.
Cannon	Kennedy	Sparkman
Case	Laxalt	Stafford
Chiles	Leahy	Stennis
Clark	Long	Stevens
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Curtis	McClellan	Symington
Dole	McClure	Talmadge
Domenici	McGee	Thurmond
Fannin	McGovern	Tower
Fong	Metcalf	Tunney
Ford	Montoya	Weicker
Garn	Morgan	Williams
Glenn	Moss	Young
Goldwater	Muskie	
Gravel	Nelson	

NAYS—0

NOT VOTING—13

Abourezk	Eastland	McIntyre
Bayh	Hart, Philip A.	Mondale
Buckley	Hartke	Taft
Church	Hollings	
Eagleton	Mansfield	

So the concurrent resolution (H. Con. Res. 133), as amended, was agreed to.

Mr. PROXMIRE. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. GARN) appointed Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. TOWER, and Mr. HELMS conferees on the part of the Senate.

The preamble was amended so as to read:

Strike out the preamble and insert in lieu thereof the following:

"Whereas article 1, section 8, of the Constitution provides that Congress shall have the money power; namely, '. . . to coin money and regulate the value thereof';

"Whereas Congress established the Federal Reserve Board as its agent, and delegated to its agent the day-to-day responsibility for managing the money supply;

"Whereas the United States economy is now suffering from excessively high unemployment and a decline in production and the gross national product, together with inflation;

"Whereas the substantial budget deficits anticipated during fiscal years 1975 and 1976 could result in substantially higher interest rates and a reduced supply of mortgage credit in the absence of reasonable growth in the monetary and credit aggregates; and

"Whereas Congress has received expert evidence that the economy's performance is affected by changes in the rate of growth of the monetary and credit aggregates: Now, therefore, be it".

The preamble, as amended, was agreed to.

The title was amended so as to read: "Concurrent resolution referring to the conduct of monetary policy."

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The Senate continued with the consideration of the bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment to S. 326.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD of West Virginia. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. MANSFIELD), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) and the Senator from Indiana (Mr. HARTKE) are absent on official business.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

The result was announced—yeas 47, nays 39, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—47

Baker	Griffin	Moss
Bartlett	Hansen	Packwood
Beall	Hatfield	Pastore
Bellmon	Helms	Pearson
Brock	Hruska	Percy
Brooke	Huddleston	Roth
Burdick	Inouye	Scott, Hugh
Cannon	Jackson	Scott,
Curtis	Johnston	William L.
Dole	Laxalt	Sparkman
Domenici	Long	Stafford
Fannin	Magnuson	Stevens
Fong	McClure	Thurmond
Garn	McGee	Tower
Goldwater	Metcalf	Weicker
Gravel	Montoya	Young

NAYS—39

Allen	Hart, Gary W.	Pell
Bentsen	Haskell	Proxmire
Biden	Hathaway	Randolph
Bumpers	Humphrey	Ribicoff
Byrd,	Javits	Schweiker
Harry F., Jr.	Kennedy	Stennis
Byrd, Robert C.	Leahy	Stevenson
Case	Mathias	Stone
Chiles	McClellan	Symington
Clark	McGovern	Talmadge
Cranston	Morgan	Tunney
Culver	Muskie	Williams
Ford	Nelson	
Glenn	Nunn	

NOT VOTING—13

Abourezk	Eastland	McIntyre
Bayh	Hart, Philip A.	Mondale
Buckley	Hartke	Taft
Church	Hollings	
Eagleton	Mansfield	

So the committee amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 326) was passed, as follows:

S. 326

An Act to amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is amended by deleting "and for each of the fiscal years 1974 and 1975, $60,000,000" and inserting in lieu thereof the following: "for fiscal year 1975, $65,650,000:".

SEC. 2. There is authorized to be appropriated $1,500,000 to aid in the transition of the Mariana Islands District to a new Commonwealth status as a territory of the United States: *Provided, however,* That no part of such sum may be obligated or expended until final agreement between Marianas Political Status Commission and the United States has been approved by the Congress.

BUDGET RESCISSIONS

The Senate continued with the consideration of 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.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the amendment of the Senator from Wisconsin to H.R. 3260. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. MANSFIELD), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Minnesota (Mr. MONDALE) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Indiana (Mr. BAYH) are absent on official business.

I also announce that the Senator from South Dakota (Mr. ABOUREZK is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) is necessarily absent.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

The result was announced—yeas 50, nays 36, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—50

Allen	Ford	Morgan
Bartlett	Glenn	Moss
Bellmon	Gravel	Muskie
Biden	Hart, Gary W.	Nelson
Brooke	Haskell	Nunn
Bumpers	Hatfield	Packwood
Burdick	Hathaway	Pastore
Byrd, Harry F., Jr.	Helms	Pell
	Huddleston	Proxmire
Case	Humphrey	Roth
Chiles	Kennedy	Schweiker
Clark	Leahy	Scott, Hugh
Cranston	Long	Stevenson
Culver	Mathias	Stone
Dole	McGovern	Talmadge
Domenici	Metcalf	Tunney
Fong	Montoya	Williams

NAYS—36

Baker	Fannin	Jackson
Beall	Garn	Javits
Bentsen	Goldwater	Johnston
Brock	Griffin	Laxalt
Byrd, Robert C.	Hansen	Magnuson
Cannon	Hruska	McClellan
Curtis	Inouye	
McClure	Scott, William L.	Symington
McGee	Sparkman	Thurmond
Pearson	Stafford	Tower
Percy	Stennis	Weicker
Randolph	Stevens	Young
Ribicoff		

NOT VOTING—13

Abourezk	Eastland	McIntyre
Bayh	Hart, Philip A.	Mondale
Buckley	Hartke	Taft
Church	Hollings	
Eagleton	Mansfield	

So Mr. PROXMIRE's amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HARRY F. BYRD, JR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote today.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MANSFIELD), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Minnesota (Mr. MONDALE), are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Indiana (Mr. BAYH) are absent on official business.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

The result was announced—yeas 76, nays 8, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—76

Allen	Byrd, Harry F., Jr.	Domenici
Bartlett		Fong
Beall	Byrd, Robert C.	Ford
Bellmon	Case	Garn
Bentsen	Chiles	Glenn
Biden	Clark	Goldwater
Brooke	Cranston	Gravel
Bumpers	Culver	Hansen
Burdick	Dole	Hart, Gary W.
Haskell	Metcalf	Scott, Hugh
Hatfield	Montoya	Scott, William L.
Hathaway	Morgan	
Huddleston	Moss	Sparkman
Humphrey	Muskie	Stafford
Inouye	Nelson	Stennis
Jackson	Nunn	Stevens
Javits	Packwood	Stevenson
Johnston	Pastore	Stone
Laxalt	Pearson	Symington
Leahy	Pell	Talmadge
Long	Percy	Thurmond
Magnuson	Proxmire	Tower
Mathias	Randolph	Tunney
McClellan	Ribicoff	Weicker
McGee	Roth	Williams
McGovern	Schweiker	Young

NAYS—8

Brock	Fannin	Hruska
Cannon	Griffin	McClure
Curtis	Helms	

NOT VOTING—15

Abourezk	Eagleton	Kennedy
Baker	Eastland	Mansfield
Bayh	Hart, Philip A.	McIntyre
Buckley	Hartke	Mondale
Church	Hollings	Taft

So the bill (H.R. 3260) was passed.

Mr. MCCLELLAN. Mr. President, to save the Senate's time. I ask unanimous consent that I may be permitted to make one motion relative to conferences with the House on the two rescission bills rather than the two motions which otherwise would be required.

Mr. President, I move that the Senate insist on its amendments to H.R. 3260 and H.R. 4075, and request a conference with the House, and that the Chair be authorized to appoint conferees, who shall serve as managers for the Senate on both of the rescission bills passed by the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. MCCLELLAN, Mr. MAGNUSON, Mr. PASTORE, Mr. MCGEE, Mr. PROXMIRE, Mr. MONTOYA, Mr. INOUYE, Mr. CHILES, Mr. YOUNG, Mr. HRUSKA, Mr. FONG, Mr. MATHIAS, and Mr. BELLMON conferees on the part of the Senate.

A QUESTION OF NATIONAL HONOR

Mr. GOLDWATER. By action of the House the other day, they have precluded any further aid for Cambodia and for South Vietnam, mostly on the argument that they are down the tube anyway, so why throw more good American money after the moneys that we have already spent there.

Mr. President, I can recognize that argument and militarily——

Mr. FORD. Mr. President, I should like to hear the Senator from Arizona.

Mr. GOLDWATER. Militarily, I can probably go along with it. But, Mr. President, what is involved here, to me, is a matter of national honor. Whether we like it or not, we got into the whole of Southeast Asia because of the word of President Eisenhower. We had never had any formal agreements, any written agreement or anything. It was the word of the President of the United States. Mr. President, I suggest that we have many such agreements around this world and the whole world is looking on us to see whether or not we will keep our commitments; in other words, whether we are a country of honor or whether we are a country of expediency who will renege on our promised word.

Mr. President, this matter will come

to the attention of the Senate very shortly and I hope that we can have extended and thorough debate on it. As I have said, militarily, we can probably go home and argue that the aid was not needed, but if we are going to think of our national honor and where we stand among the nations of the world, I think we had better give it good and due consideration.

I ask unanimous consent, Mr. President, that an excellent editorial appearing in this evening's Washington Star, entitled "The Sad Story of Congress and Aid for Indochina," be printed in the RECORD at this point in my remarks.

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

THE SAD STORY OF CONGRESS AND AID FOR INDOCHINA

There is something terribly sad about the apparently adamant refusal of Congress to vote funds for the continued defense of Cambodia and South Vietnam. And what is saddest of all is that so many people are hailing this decision as a kind of moral victory for the forces of rightiousness and liberalism in the United States.

A great many things, of course, contribute to the prevailing frame of mind. There is the widespread disillusion and revulsion left over from the American intervention in the war in Indochina, which has always focused its hostility on the regimes that happened to be in power in Saigon or Phnom Penh. There is the loss of faith in the executive leadership of the nation—enormously compounded by the Watergate affair—which makes virtue of any congressional rebellion against presidential authority. There is a perception on the part of many individual senators and congressmen of a growing isolationist mood in the country, particularly when it comes to spending taxpayers' money on what are deemed to be lost foreign causes.

We are not insensitive either to the arguments that apply to the situation in Cambodia, and no doubt in the minds of many to Vietnam as well. To us as to them, it seems improbable that sending a few more hundreds of millions of dollars will drastically change the course of the war. Cambodia, in all probability, is past saving; the best that can be hoped for there is some kind of negotiation that might offer a measure of protection to the civilian population and the remaining members of the government armed forces. South Vietnam, it would seem, is still in a position to defend itself and survive as a free nation. But the effort will require a great deal more in the way of American support than the Congress—and perhaps the American people as well—are willing at this point to supply.

The general feeling is quite simply: What's the use of going on? Some of course have long been committed to the inevitability of a defeat in Indochina and are looking forward to the deluge. For others, the motivation is not wholly ignoble—in their view, cutting off aid to our allies is something like cutting off oxygen to a dying patient, to spare these long-suffering people more agony. We have talked ourselves into the idea that, in supplying Vietnam and Cambodia with the means of defending themselves, it is we who have instigated and perpetuated the war and it is our obligation to end it. "Are you asking for surrender, then, Mr. Fraser?" asked Robert S. Ingersoll, undersecretary of state, at a critical meeting of the House Foreign Affairs Committee: "Yes," replied the congressman from Minnesota, "under controlled circumstances, to minimize the loss of life."

In our view, this oddly ethnocentric concept of the Indochina War is one of the more grotesque historical concepts. One way or another—with or without outside help and regardless of ideological differences—the people of South Vietnam and Cambodia have been struggling for their freedom and national identity, not just for years, but for centuries. For most of the world's history, it has been considered a brave and noble thing for a people to fight to preserve their liberty. And one way or another, the fight will surely go on in a war which we did nothing to start and in which we have no right to impose a decision.

Yet it is sad beyond words to hear an American congressman vote with such evident conviction and self-satisfaction for surrender and defeat. For make no mistake about it, it is the United States—not the people of Cambodia or Vietnam—which will be performing the act of surrender. The world will draw the appropriate conclusions about the reliability of this country as an ally. And if this is bowing to some kind of "wave of the future," the future of this country—and of the world—will be very sad indeed.

ORDER VITIATING ORDER FOR CONSIDERATION OF S. 66 TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order providing for the consideration today of S. 66, public health service bill, be vitiated.

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

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:30 a.m. tomorrow.

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

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR CONSIDERATION OF TAX LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, there be a period for the transaction of routine morning business, not to extend beyond the hour of 11 a.m., with statements limited therein to 5 minutes each, and that at the hour of 11 a.m. the Senate proceed with the tax cut legislation.

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

ORDER OF TRANSACTION OF ROUTINE MORNING BUSINESS

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 30 minutes, with statements limited therein to 10 minutes each.

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

ALLEGED FRAUD IN MEDICARE AND MEDICAID

Mr. HARRY F. BYRD, JR. Mr. President, the newspapers have done an investigative job in connection with the fraud which appears to exist in the medicare and medicaid programs in certain areas of the country. I have not seen all of these articles, but I do have in my hand one which has been distributed for publication today, March 17, 1975. This article was written by Dan Thomasson and Carl West, of the Scripps-Howard newspapers.

It is very revealing, I might say, and highly disturbing. It is estimated that fraud in the two programs I have just named probably exceeds $1.5 billion of U.S. tax funds.

I ask unanimous consent that the text of this article by Dan Thomasson and Carl West be published at this point in the RECORD.

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

THE HEALTH CARE SCANDAL

(By Dan Thomasson and Carl West)

WASHINGTON, March 17.—During a three-month period ending last June 30, 26 States reported to the U.S. Health, Education, and Welfare Department (HEW) 954 cases of suspected fraud in the Federal-State Medicaid program for the poor.

Only 47 of those cases were ever turned over to public prosecutors.

For the succeeding quarter, ending Sept. 30, 21 States reported 824 cases of suspected fraud. Of those only 18 were referred for prosecution.

In the final quarter, ending Dec. 30, 25 States reported 1,052 cases of suspected fraud. Only 15 of those cases were referred for prosecution.

These data, gathered from reports on file with HEW's division of program monitoring, go a long way toward explaining the estimate by Federal investigators that cheating in the Medicaid program is costing taxpayers $1.5 billion a year.

Even this doesn't define the scope of the problem however.

Although required by Federal regulation to do so, a few States don't even bother to file reports on suspected fraud. And some that do only provide incomplete and inaccurate information.

Congressional experts think many cases go undetected because States have inadequate or inefficient means of spotting and auditing seemingly extravagant medicaid claims submitted by health care providers. And they find it incredible that 21 States reported no suspected fraud cases for the quarter ending June 30, 1974.

Also puzzling to congressional experts and HEW officials is the fact that in many instances medical care providers suspected of fraud are being permitted to pay back the government without further action being taken against them.

Federal law provides that anyone convicted of filing a false medicaid claim can be imprisoned for one year and fined $10,000.

"The very fact that a medical provider is anxious to pay back the money should be a clear indication that he hadn't made just an honest mistake," said one congressional investigator.

For years HEW has had virtually no system to monitor medicaid. But with stories of wholesale cheating flooding in from every part of the Nation, HEW set up a division of program monitoring it hopes will be able to measure accurately the scopes of chiseling and help stop it.

The first official reports sent to the division beginning last year weren't encouraging. They were sloppy and showed an alarming indifference to the problem.

Here are some glaring examples:

Twenty-four Michigan medical care providers were suspected of bilking a total of $125,582 from medicaid either by knowingly overcharging or billing for services not provided. Not a single provider was prosecuted or suspended from the program after all the money was repaid.

Five Mississippi physicians handed back $10,883 after being challenged about their bills. They were not prosecuted although evidence showed they deliberately overcharged and billed for services not provided.

In South Carolina one physician repaid the Government $57,000 after it was determined he had sent duplicate bills to five medicaid recipients and another reimbursed the program $49,368 after allegedly submitting false billings on 22 patients.

In Alabama, two pharmacists were discovered billing—how much, officials couldn't determine—for services not provided. But officials contended to HEW that there was insufficient evidence of fraud.

Massachusetts authorities notified HEW that a pharmacist was suspected of bilking the program of $50,000 by writing excessive prescriptions. But the State authorities said the case was "difficult to prove" and the pharmacist was not prosecuted.

A Texan physician overcharged $10,702 and escaped prosecution by reimbursing the program, and another gave back $5,504.

The "horror stories" seem endless. And concern is mounting about what they forebode for a future national health insurance program that could handle $60 billion annually.

Few congressional experts believe the feeble efforts now being exerted by HEW are sufficient. They warn that unless the Federal Government steps in with much sterner measures, medicaid fraud alone could reach $3 billion within the next few years.

FINANCIAL PROBLEMS OF THE FEDERAL GOVERNMENT

Mr. HARRY F. BYRD, JR. Mr. President, last night I journeyed to Portsmouth, Va., and this morning at 7 o'clock visited the General Electric plant, which is situated on the border of the city of Portsmouth and the city of Suffolk.

This plant employs 3,000 workers. It makes color television sets.

I was very much impressed with the employees of that plant. I met with six different groups this morning between the hours of 7 a.m. and 8:30 a.m. I made brief talks to each of the groups and had an opportunity to shake hands with hundreds of the individual employees of that plant.

This visit to the General Electric plant this morning, and the opportunity to be with the employees emphasizes in my mind the quality of the individuals who are working in our industrial facilities in Virginia.

I am encouraged also because of the keen interest which those many employees in the six groups that I met with seemed to have in the financial problems of the Federal Government.

I found them to be well aware of the excess spending on the part of the Federal Government, and I found them to be well aware of the role that deficit financing plays in the inflationary spiral.

The reason I went to the plant this morning is that 2 weeks ago representatives of the employees of that plant brought to my office a petition signed by 2,588 of the 3,000 employees. That petition was very simple. It urged the President and the Congress to seek a reduction in taxes; a reduction in interest rates; and a reduction in excessive Federal spending.

That petition encouraged me a great deal. These working people want a reduction in taxes, they want a reduction in interest rates, and they want a reduction in excessive public spending.

In each of my six talks today I expressed the view that the program which they outlined is, in my judgment, far more sound than the program which is being voted upon by the Congress.

Those 2,588 employees of the General Electric plant know that the key to tax reduction and the key to a decrease in interest rates is the need to get excessive spending under control.

They perceive what the Congress continues to ignore: that you cannot have true tax reduction unless you also get excessive spending under control.

It is the same way with interest rates. I maintain, and that splendid group of employees seemed to agree, that so long as the Government is going into the money markets for more than 60 percent of all the lendable funds, the interest rates are likely to remain high.

I wanted to go to that plant today and meet with those employees and to tell them that the petition which they sent me urging a reduction in taxes, a reduction in interest rates, and a reduction in excessive Federal spending, has been most encouraging to me.

It is seldom that Members of the Congress have a large, responsible group petition the Congress to get excessive spending under control.

I came away from the city of Portsmouth and the city of Suffolk this morning much encouraged.

I do believe that the collective judgment of the American people is sounder than the legislation which the Government in Washington is putting on the statute books.

In each of these six talks I made this morning I told the working people very frankly that I think taxes are too high and I want to see them reduced, but that the problem with the present program is that the Government in Washington proposes to reduce taxes by $30 billion, increase spending by $40 billion, and end up with a deficit of $70 billion.

It does the average citizen very little good to legislate a reduction in taxes of about $3 a week, if the entire tax package, including reductions given corporations, means that inflation will be accelerated.

Inflation itself is a tax. It is a hidden tax, it is a cruel tax, and it hits hardest those on fixed incomes and those in the lower and middle economic groups.

I am convinced that most of the working people I saw today see something phony about Congress and the administration saying, "We are going to increase spending tremendously and we are going to decrease your taxes, but don't worry, no one has to pay for the spending."

I told them this morning that, in my judgment, Federal spending has to be paid for either by direct taxes or by the hidden tax of inflation.

The reaction I got to the six brief talks I made with the employees of that plant, encourages me to believe that the working people of our Nation who pay the bulk of our taxes realize that they will not get something for nothing—none of us will—and that is why they put on that petition the need to reduce excessive Government spending.

That is the key to true tax reduction—and to reduced interest rates.

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

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

Mr. HELMS. Mr. President, I commend the distinguished Senator from Virginia not only for his perceptive remarks here this afternoon but also for the fact that he went before these working people and conveyed to them the simple arithmetic of the economic travail of this country.

The Senator from Virginia has been diligent constantly in trying to point out commonsense not only to the Senate, but also to the American people. I commend him for his work this morning and for his comments on the floor of the Senate this afternoon.

Mr. HARRY F. BYRD, JR. Mr. President, I am very grateful to my dear friend, the Senator from North Carolina (Mr. HELMS).

I might say that some of the workers in that plant are from the great State of North Carolina. Most of the workers come from the city of Chesapeake, the city of Portsmouth, the city of Suffolk, and from the cities of Newport News and Hampton. But some come from as far away as our great neighboring State of North Carolina.

Mr. HELMS. The Elizabeth City environs.

Mr. HARRY F. BYRD, JR. Yes, from the area in and around Elizabeth City, N.C.

I might say that we in Virginia are very pleased to have them in our State, because, like Virginians, they are wonderful people; and I know that the Senator from North Carolina is proud of them.

I thank the Senator for his kind comments.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MORGAN). 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 (Mr. MORGAN). Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M. TOMORROW

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 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:10 p.m., the Senate recessed until tomorrow, Tuesday, March 18, 1975, at 10:30 a.m.

NOMINATIONS

Executive nominations received on Friday, March 14, 1975, under authority of the order of March 13, 1975:

U.S. COURT OF MILITARY APPEALS

Albert B. Fletcher, Jr., of Kansas, to be a judge of the U.S. Court of Military Appeals for the remainder of the term expiring May 1, 1986, vice Robert M. Duncan, resigned.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Edward E. Booher, of New Jersey, to be a member of the National Council on Educational Research for the remainder of the term expiring June 11, 1976, vice Patrick E. Haggerty, resigned.

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Donald K. Ackerman, Jr.
Allan W. Adams
Christopher T. Adams
Robert G. Adolphe
Marino Aguilera
Brant Aidikoff
Joseph A. Alexander, Jr.
Raymond K. Alexander
Michael A. Alfred
John R. Allen, Jr.
Rose A. Allen
William H. Allen
Steven M. Amundson
Charles G. Anderson
James S. Anderson
Paul A. Anderson, Jr.
Stephen D. Anderson
Robert M. Andrews
Michael J. Annunziata
Peter A. Ansoff
Gary M. Armacost
Peter A. Armstrong
Denis V. Army
William C. Atkins
Thomas P. Atkinson
Fred G. Atkisson
David Auerbach
Dennis S. Augspurger
Randal J. August
George B. Austin
Lew L. Ayers
Eric C. Baar
Mark S. Bacin
Arthur E. Bailey
Kenneth M. Baird
John V. Baker
Robert D. Baker
Mark A. Balaska
Phillip M. Bambrick
*Robert H. Bancroft
Jeffrey D. Bange
David A. Baril
Mark E. Barner
Richard K. Barnes
John A. Barnet III
William F. Barns
Robert W. Barrie
David F. Bartlett
Roland R. Bartlett
Albert J. Bartridge, Jr.
Michael Allan Bassett
Geoffrey L. Bauer
Michael E. Bauer
Michael J. Bayer
Joseph S. Beall III
Curtis L. Beard
Charles E. Beck
David W. Beck
Robert K. Beck III
Dale E. Beeler
Fredrick A. Bell
Mark T. Bell
Steven D. Bell
Guy M. Belleman
Joseph V. Bello
Paul K. Benfield
Richard D. Benjamin
Francis M. Benkert
John E. Benoit
John F. Benzie
David L. Bernhard
Larry W. Berquist
Craig D. J. Bersak
Williams E. Berthrong
Mark S. Bertsche
Allen K. Bettisworth
Kenneth W. Bias
William E. Bickert, Jr.
Harry R. Bigham
Douglas L. Bird
Thomas I. Blair III
Thomas J. Blake
Paul M. Bland
Edward W. Blankenship
Jeffrey D. Blass
Ted M. Blecharczyk
Hans J. Bleeker
William R. Bloomberg
Walter J. Bloss
Wolf H. Bock
Kenneth C. Bodin
Howard D. Boggs
Anthony J. Boguslawski
Randall C. Bolger
Samuel J. Bonanno
Robert B. Bonner
Richard S. Bordelon
Stephen J. Borovicka
Neil C. Bourgeois
Michael M. Bowen
James A. Boyd
Richard A. Boyd
John J. Boyle
Mark S. Boyll
Robert C. Brackett
Charles P. Bradford
Gary L. Bradford
Harry M. Brammer III
Jeffrey Bramsen
Michael B. Brands
Thomas M. Brasel
Richard W. Braznell
Philip C. Breitling
Allan C. Breller
Charles C. Briant
William G. Brightwell
Michael G. Bristol
Daniel L. Broadstone
Charles S. Brockhoff
Kenneth A. Broomfield
Bruce L. Brown
Christopher M. Brown
Gary L. Brown
Kevin M. Brown
Peter G. Brown
Steven W. Brown
Billy J. Bruce, Jr.
Richard V. Bruce
Bettyjo D. Bruner
Dewey G. Bryan
James J. Bryan
Robert W. Bryan
Thomas D. Bryce
Gerard L. Bryndal
Marc E. Buchner
Jeffrey L. Budimier
Steven M. Budnik
Charles A. Buhrlage
Jeffrey A. Buker
David E. Bukovsky
Carl D. Burch
Alywin L. Burgess
Richard R. Burgess
Joe C. Burgin III
Grey E. Burkhart
Harry C. Burleigh
John W. Burns
Thomas C. Burtis
Eugene R. Burton
John R. Bush
Richard A. Bush
Gregory B. Bushong
Michael D. Bussey
Michael S. Bussey
Brian F. Butler
Robert E. Buzby
Mark C. Buzek
William J. Byrd
John W. Byrne IV
Stephen L. Cabrian
Adolphe C. Cade IV
David W. Cady
Mark A. Cagiano
Michael S. Campagna
Andrew H. Campbell II
Craig M. Campbell
Robert M. Campbell
William B. Campbell
Thomas D. Campobasso
Jon V. Caples
Lawrence Caramia
William A. Card
Richard P. Carey
James Carlsen
Charles B. Carnes, Jr.
Russell S. Carnot
Stephen M. Carr
John K. Carroll, Jr.
Gregory L. Carter
Paul H. Case
Mark W. Casey
David M. Cashbaugh
Alan T. Cassidy
Nicholas J. Cassun
Anthony H. Catanach, Jr.
Clarence E. Caughman
Bruce A. Cauley
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The following-named naval enlisted scientific educational program candidates to be permanent ensigns in the Line or Staff Corps of the Navy subject to the qualifications therefor as provided by law:

Dennis F. Bald
Lyle L. Barngrover
Charles B. Belcher
James C. Bender
Wendell S. Berry
Eldon D. Blanchard
Frederick L. Blume
Thomas Bollenbacher
Kenneth D. Bradley
James D. Brown
Trenholm L. Brownley
Robert L. Bruce, Jr.
Edmond R. Bryant, Sr.
Dennis E. Bullock
David M. Burt
Cromwell B. Campbell
Thomas A. Carlson
David L. Carmichael
Stephen E. Carpenter
James V. Cech
Victor Chryjapin
Horace R. Clark
Lanny D. Clark
Nolan D. Clifford
Thomas Conner
Robert T. Cook
Sherry T. Cowen
Michael Crissinger
Billy L. Doss
John P. Duffield
James R. Eichstedt
Stephen K. Ellison
Peter M. Evans
Richard Evans
Carey L. Federer
David W. Fennell
Michael C. Freemyers
Robert E. Fuhrman
Timothy J. Gann
James A. Gibson
James V. Gilbreath
William Grella
Richard E. Griffin
Bertel J. Hansen
James E. Harmon
James L. Harmon
William R. Hartsfield
Larry E. Herbert
Richard C. Hersh
David A. Hibbs
Daniel H. Hromadka
Roger D. Hughes
Richard E. Hurst
Donald L. James
Leslie O. Kagey
Michael L. Karl
William J. Kilpatrick
Franklin E. Kleen
Adam F. Kleinholz
Larry E. Koppin
Steve Koven
Kevin P. Ladduceur
Donald R. Lancaster
Patrick Lanier
Phillip L. Lanier
Lawrence A. Linquist
Donald R. Lowery
Robert R. Machinski
Thomas J. Madigan
Ira K. Magid
Lew D. Mathias
Michael L. Mauk
Larry J. McCarty
Thomas L. McGowen
Phillip M. McHale
Ronald E. McMurdy
Michael W. Mentas
Dennis W. Mette
Aubrey F. Mitchell
Rex M. Mott
James E. Mundy
Larry J. Murphy
John E. Myers
Ray C. Nash
Dovard W. Nelms
James L. Nesrsta, Jr.
Garry D. Newberry
Lawrence G. Newman
Hugh A. O'Hara
Gary E. Oswald
James E. Parr
Earl G. Parshall
Wayne Peterson
Charles R. Pfenninger
Andrew J. Pitts
William D. Place
Carl W. Pro
Walter N. Proctor
Michael L. Pugh
William F. Raines
William D. Randall
William R. Reid
Gary L. Reglin
Robert G. Riel
Roger W. Roberts
James R. Roe
Jack O. Roney
Michael J. Rowe
William M. Scanlon
Jay F. Schaeffer
Dennis A. Schmidt
Kenneth L. Shelley
James L. Shelor
Kim R. Shepard
Gary N. Singleton
Leslie E. Smith
William S. Stagna, Jr.
Robert D. Steele
Joe C. Strange
Arthur D. Swan
Gary L. Tarbet
Allen D. Taylor
James M. Terrell
Christopher Tessara
Charles M. Vaughn
Larry W. Ward
Darrell W. Warren
Ewald W. Weber
William P. Welsh
Phillip E. Wentzell
Charles M. Williams
Danny B. Williams
Dock D. Williams, Jr.
Michael P. Wood
William C. Wren
John C. Martin
Steven W. Nerheim
Roger Stemp

The following-named Chief Warrant Officers to be lieutenants (junior grade) in the Navy, limited duty, for temporary service, in the classification indicated and as permanent warrant officers and/or permanent and temporary warrant officers subject to the qualifications therefor as provided by law:

SUPPLY CORPS

James P. Bondurant
Robert A. Brown
Walter J. Pratt
Bobby D. Woodson

CIVIL ENGINEER CORPS

Timothy P. Curtin

DECK

John W. Ackerman
John T. Bauder
Robert P. Brittingham
William A. Burris
Stephen W. Cherry
James M. Evans
James H. Ferguson, Jr.
Normand L. Gregoire
Thomas G. Hill
Robert B. Hoffman
James M. Jackson
Joseph C. Kitts
Claude R. Layne
David E. Little
Thomas H. McKenzie
Curtis Moss
Merlin E. Mundy, Jr.
Ronald D. Powell
David G. Ray
Glenn L. Smith
John J. Smith
William J. Stewart
Jerry L. Todd
Charles E. Whitehead
Wallace W. Wilhelm

OPERATIONS

Hubert E. Colman
Arthur W. Greer
Robert O. Lowell

ORDNANCE

James P. Adams, Jr.
Laurence J. H. Atchison
Ronald L. Beasley
Roy L. Book
J. K. Casper
Bruce L. Chase
Michael W. Clayburn
David E. Furst
Frank T. Grutta
Richard B. Heller
Daniel L. Hoover
John M. Iannetta
Herbert C. Kelly
Paul R. Muse, Jr.
James O. Mustin
Frank P. Phipps
William E. Sitton
Robert M. Stolarz

EXPLOSIVE ORDNANCE DISPOSAL

John G. Honer

ADMINISTRATION

Richard D. Barber
Loren W. Biegler
Tyron R. Blanchard
Ivon G. Boycourt, Jr.
Robert L. Drane
Charles H. Fortier
Ronald M. Greene
David A. Gschwend
Roy G. Hale
James P. Henry
Charles W. Hogue
Michael R. Hopkins
Larry W. Huckfeldt
Ernest W. Hurst
Thomas E. Kearney
Herman C. Moore, Jr.
Ronald E. Nash
Albert L. North
Emmett L. Plimmer
Richard R. Poch, Sr.
Ralph G. Reed
James H. Wilson
Joseph Woods

DATA PROCESSING

Charles W. Cooper
Thomas E. Jones
Marion L. Martin
John F. Steib, Jr.
Jimmie D. Weaver

BANDMASTER

John D. Fluck

ENGINEERING

Ervel E. Attebury, Jr.
John B. Baldwin
Raymond J. Boeckmann
Earl L. Brandon
William M. Brigman
Geoffrey J. Calabrese
Charles D. Carrigan
David L. Clements
Francis C. Conahan, Jr
James L. Connell
Richard E. Crabtree
Levi Davis
John M. Dorso
Elroy B. Elger
Russell W. Enos, Jr.
Frank E. Florida
Frank S. Fortson III
Charles R. Gulbrandson
Claude R. Hanley
Lloyd D. Higgins
Raymond J. Hopkins, Jr.
Reynold N. Hulse
John A. Ireland, Jr.
Howard L. Jones
David L. Kaufman
Alfred D. Kemp, Jr.
Harold E. Kerns, Jr.
Frank C. Knapp
John T. Lapoint
Glenn K. Larson
Joseph W. Mahaffey
John D. Meeks
Erwin C. Morris, Jr.
Warren C. Mow
George E. Nims, Jr.
Gary A. Ovsak
Frank C. Peters
Donald A. Pierce
John H. Rasberry
James E. Roskoph
Roger W. Rutland
Gerald M. Schwartz
Gordon F. Scott, Jr.
Michael F. Scott
Dennis D. Sheridan
James L. Singleton
Ralph M. Sorensen, Jr.
Richard L. Stuntz
Craig R. Truebel
James E. Walthall

HULL

Jack R. Branson
Earl D. Briley
Russell R. Carpenter, Jr.
William H. Davis
Delmas G. Fike
Larry E. Hafer
William P. Jones
Robert J. Kenyon
Walter Kohn
Daniel R. Kroeger
William A. Lynch
Richard G. McPherson
Charles C. Morris
Joseph P. Noha, Jr.
Peter G. Piccini
Charles E. Runyan
William A. Schmidt
John A. Shriver
Robert E. Wallace

ELECTRICIAN

James A. Lane
Terry S. Steele

ELECTRONICS

William J. Anderson
Paul J. Apodaca
Charles D. Arnold
Thomas E. Brayman
Ward M. Bromaghim
George F. Crawford
Harvey E. Denam
Luis M. Duran
Edward E. Flamboe
Terrance J. Ford
James R. Free, Jr.
Howard E. Galen, Jr.
William E. German
Walter Gibson
Eric S. Glidden
Richard Granlund
Kenneth R. Greve
James D. Hammontree
Clark R. Hanson
Frederick R. Heckel
Norman L. Hinen
Robert O. James
Michael R. Judd
Oakley A. Korbelik
Robert T. Lunt
John F. MacKenn
Thomas F. Maguire
Julian T. Matthews
Charles B. Poston
Charles L. Ruddy, Jr.
George G. Rule
Russell M. Safford
William R. Sage
Arnold R. Schulmeister, Jr.
Johnnie W. Shierling
Kenneth G. Shull
Robert H. Slack
Hugh L. Stephens
Bernard I. Sulman
Marshall E. Tanner, Jr.
Freddie Von Tate
Ralph M. Vicek
John Wall
John W. Wells

CRYPTOLOGY

Kenneth W. Cummings, Jr.

COMMUNICATIONS

Daniel L. Bodine
Wesley F. Borner
Terrence J. Comfort
Alfred J. Estep
Jackie E. Godwin
Herbert R. Hinton
John L. Howard
Johnnie C. Moore, Jr.
Michael T. Peyton
Edward J. Schultz
Richard L. Weavil
John S. Woodbury
Ronald J. Zell

AVIATION OPERATIONS

Joseph J. Breslin III
John H. Starnes

AVIATION CONTROL

Bobby J. Bullard
Hubert W. Minnick
Robert M. Parsons
Jerry M. Snyder

PHOTOGRAPHY

William C. Fenton, Jr.
Donald R. Waller

AIR INTELLIGENCE

Melvin L. Gilbert

METEOROLOGY

Jerry C. McConnell

AVIATION ORDNANCE

Rex Brown
Raymond B. Fone
Thomas C. Malich
Donald M. Smith

AVIONICS

Fred C. Artley
Lawrence D. Brosh
Ralph C. Buzzell
Ronald J. McLeroy
Daniel R. Richards
Joseph T. Tindell
James J. Werbiskis

AVIATION ANTISUBMARINE WARFARE

David L. Barger

AVIATION MAINTENANCE

Richard E. Andersen
Eben E. Barnett II
William L. Beane
Bruce C. Carawon
Sidney B. Freegard
Randal R. Hall
Lester Johnson
Patrick H. Johnson
Patrick K. Justet
James R. King
Garrel R. McNeal
Joseph M. Odell
Gary D. Patton
Freddie W. Ritchie
William A. Saye
William M. Schieber
Richard K. Siar, Jr.

*Joel L. Parran (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law.

* George R. Myers and * Robert S. Jones (Naval Reserve officers) to be permanent lieutenants (j.g.) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

* Richard A. Davidson
* David R. Fitch
* Micheal S. Goldman
* Owen R. Morse
* Richard N. Saxton
* David E. Weiner
* Dennis M. Whiting

*Maj. Thomas W. Henn, MC, ARNG, to be a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

* Ex-Lt. Wesley R. Jacobs, to be a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

* Ex-Lt. Harry A. Edwards, Jr., to be a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

* Joel F. Mills (civilian college graduate) to be appointed a peramnent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

* Donald R. Gillespie, U.S. Navy officer, to be reappointed from the temporary disability retired list as a permanent captain in the U.S. Navy, subject to the qualifications therefor as provided by law.

* Harold F. Smtih, U.S. Navy officer, to be reappointed from the temporary disability retired list, as a permanent commander and temporary captain in the U.S. Navy, subject to the qualifications therefor as provided by law.

*Aline E. Sullivan, U.S. Navy officer to be reappointed from the temporary disability retired list as a permanent commander and temporary captain in the Nurse Corps in the U.S. Navy, subject to the qualifications therefor as provided by law.

*Ex-Lt. Robert G. Kaufman, to be a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Arlette P. Wilkes, U.S. Navy officer to be reappointed from the temporary disability retired list as a permanent lieutenant and a temporary lieutenant commander in the Nurse Corps in the U.S. Navy, subject to the qualifications therefor as provided by law.

*Walter F. Kimzey, U.S. Navy officer to be reappointed from the temporary disability retired list as a permanent commander in the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

*Rodney J. Beckett
*Robert S. Betz
*Dennis P. Clark
*Alfonse J. Deluca
*Robert J. Frank
*Michael J. Homer
*Samuel F. Johnson
*William J. Mangano
*Paul R. Moore
*James W. Taylor
*Kim H. Vance
*George W. Williams, III

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

*Gary A. Backlund
*Dale D. Bailey
*Leon R. Escude, Jr.
*Jimmy D. King
Jeffrey A. Lane
Michael G. Linebaugh
*Lawrence D. McKinley
*Ronald T. Pagani
*James F. Reske
*John D. Schroeder
Allen L. Sisk
*Randolph M. Stevens
*William A. Walker, Jr.

*Louis J. Doden, U.S. Naval Reserve officer, to be reappointed from the temporary disability retired list as permanent commander in the line in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Benjamin F. Withers, III (Naval Reserve officer) to be a permanent lieutenant in the Medical Corps of the Navy, subject to the qualificataions therefor as provided by law.

*Millard X. Howard, U.S. Naval Reserve officer, to be appointed a lieutenant commander in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve Officers Training Corps Candidates) to be permanent Ensigns in the Line or Staff Corps of the Navy, subject to the qualifications therefor as provided by law:

*Paul L. Archer
Edward D. Bain
Gordon E. Baum
Raymond B. Bowling
Karen M. Brown
Vincent E. Caracci
Larry S. Jackson
Christopher D. Knaggs
Jeffery S. Lee
Richard O. McHarg
Marcus A. McInnis
*Richard L. Martin, Jr.
*William E. Martin, II
Roger W. Morgenstern
Frederick R. Morse
Donald E. Neumann, Jr.
Michael H. Nittelman
Robin L. Parks
Richard A. Rieger
Christopher B. Robinson
*James W. Sheffield
James M. Torpey
*Edward C. Trasoras

*Carl M. Agliozzo (civilian college graduate) to be appointed a commander in the Medical Corps in the Reserve of the U.S. Navy, for temporary service, subject to the qualifications therefor as provided by law.

The following named (civilian college graduates) to be permanent commanders in the Medical Corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Agustin Acosta
*Lutgardo G. Panlilio

*Comdr. Robert H. Cave, U.S. Navy officer, to be appointed a commander in the Medical Corps in the reserve of the U.S. Navy, for temporary service, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the

Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

*Raymond D. Bartz
*John Common
*Francis J. Gallagher, Jr.
*Thomas M. Hewlett
*Michael J. Kelley
*James B. McSherry
*Brett C. Miller
*Timothy S. Smith

*Lt. Cmdr. Elizabeth C. Strang, U.S. Navy retired officer to be reappointed from the temporary disability retired list as a permanent lieutenant commander in the Nurse Corps in the U.S. Navy, subject to the qualifications therefore as provided by law.

*Dr. Allan I. Bloom, ex-USNR officer, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Dr. Wm. G. Podolsky, ex-USNR officer, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Dr. David W. Rabak, ex-Army officer, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Vito V. Gaiera (civilian college graduate) to be a permanent commander and a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Bertram J. Lee (civilian college graduate) to be a permanent lieutenant commander and a temporary commander in the Medical Corps in the reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*David L. Williams (Naval Reserve officer) to be appointed a permanent lieutenant (j.g.) and a temporary lieutenant in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

*George R. Freeland
*Richard L. Harman
*Charles G. Heckel
*Charles R. McLaughlin
*Lewis L. Ware, Jr.

*Ronald L. Cummings (civilian college graduate) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Dr. Leslie D. Rivers (ex-USN officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

*Nolan D. Shipman, U.S. Navy Officer to be appointed a Commander in the Medical Corps in the reserve of the U.S. Navy, for temporary service, subject to the qualifications therefor provided by law.

*Dr. Charles A. Payne (civilian) to be appointed a permanent commander and temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following (Enlisted men) to be temporary Ensigns in the Medical Service Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Danny W. Cribb
*George M. Maskulak
*Albert J. Smith
*James J. Swafford, Jr.
*John C. Wocher

Mark R. Lenci, U.S. Air Force cadet, to be a permanent ensign in the line of the Navy, subject to the qualifications therefor as provided by law.

Paul C. Charbonneau, U.S. Navy officer in the Dental Corps, to be a temporary commander in the Dental Corps in the Reserve of the Navy, subject to the qualifications therefor as provided by law.

Arthur S. Morse, Jr., and "R" "J" Jones, ex-Army officers, to be appointed permanent commanders in the Medical Corps in the Reserve of the the U.S. Navy, subject to the qualifications therefor as provided by law.

IN THE NAVY

The following-named Naval Reserve officers for temporary promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Abert, James G.
Adams, David E.
Ahlberg, Arnold E.
Allan, Gaylord T.
Ammon, Peter C.
Anderson, William J.
Archer, John J.
Arnold, Coy H., II
Atkin, Lawrence C.
Austin, Russell A., Jr.
Azzarita, Frank X.
Baguley, Norman A.
Bailey, Gary B.
Barker, Thomas C.
Barron, John S.
Batthauer, Byron E.
Beer, Dean R.
Bellone, Elmer A.
Benshoof, Kenneth W.
Bigler, Glade S.
Black, Ralph P.
Boardman, John M.
Bole, George T.
Boyden, Donald L.
Brame, Frank A., III
Bruns, Robert E.
Buckley, James A.
Buell, Bruce T.
Buesener, Charles A.
Burleson, Wallace R.
Burnette, Ollen L., Jr.
Burt, Richard A.
Calkins, Dean L.
Callaghan, James R.
Canestra, Kenneth W.
Carlos, Tomas V.
Carlsen, Charles R.
Carson, Louis F., Jr.
Case, Neil A.
Caswell, John H.
Cave, David B.
Caviness, Claude P.
Chinn, Ralph M.
Chrisman, Dan M.
Christopher, Allison L.
Click, Bobby W.
Coen, Richard J.
Collins, Clyde
Colwell, Lawrence S.
Craig, John E.
Creps, Roland R.
Daniels, William D.
Davenport, Joseph D.
Day, Lucius B., Jr.
Dickinson, Calhoun
Donovan, Edward M., Jr.
Dougherty, John E., Jr.
Dowd, William G., Jr.
Duerr, Edwin C.
Duke, David W.
Dunbar, William M.
Dunne, James M.
Edinger, John S.
Ehr, Richard L.
Ellis, Eugene D.
Ely, Roland P., Jr.
Ernest, Francis L.
Evans, Albert C.
Evans, Arnold A.
Everson, Donald B.
Fishel, Charles E.
Fitzmorris, Neil T.
Flittner, Glenn A.
Fox, Edward I.
Fox, Jack H.
Freiberger, Howard
Frische, Francis X.
Garrison, William H., Jr.
Gehman, Robert S.
Gill, Gerald W.
Gillaspy, Dudley A.
Gilmore, James L.
Gilstrap, Jack R.
Glass, Juandell D.
Gorman, James G.
Gorman, Robert G.
Green, Leo H., Jr.
Green, Philip F.
Greenlaw, William C.
Greer, John G.
Gurney, Walter J.
Gwynn, John L.
Hamilton, William J., Jr.
Hammer, Leon
Hannagan, James F., Jr.
Hargrove, John Q., III
Harris, Robert L.
Head, William I.
Healy, James V.
Hempel, Robert E., III
Hendel, Richard W.
Higgins, Robert L.
Holfelder, John L.
Hollister, Walter M.
Holman, William C.
Hoover, Harwood
Huffine, Donald H.
Huntley, Robert C., Jr.
Hutson, James R.
Imel, John M.
Jahns, Arthur W.
Jarck, Walter
Johnson, Lowell E.
Johnson, Robert A.
Johnston, Richard H.
Jones, Thomas E.
Kaiser, Dale E.
Kaltenbach, John L.
Kane, Robert E.
Keeler, Roger N.
Keller, Arthur S.
Kelly, Peter B., Jr.
Keppel, Robert E.
Kern, Kenneth E.
Kerrigan, John F.
Kiner, Richard A.
King, Benjamin F., Jr.
Kitchen, William L.
Kraynak, Michael, Jr.,
Kreiner, Leon W.
Kruger, Richard
Lalicker, Robert G.
Laverty, Howard K.
Lawrence, Paul B.
Lee, James C.
Lenfest, Harold F.
Letkemann, Herkus, W., VII
Linton, George H.
Lockard, Noff S.
Lohmann, William H.
Lubach, Donald W.
Lux, Donald G.
Lynne, Donald M.
Mahaffey, John F.
Marsh, Barry B.
Masters, Miles H.
Matta, Robert M.
Matthews, Keith B.
Mauhs, John S.
Mays, Jacklon G.
McBride, Richard W.
McCann, Richard
McGuire, Richard J.
Meriwether, Gordon K., Jr.
Merrill, James W.
Messinger, Emerson B.
Midboe, Albert M.
Middleton, Blake
Milam, George W.
Mixon, William R., Jr.
Moloney, John D.
Moody, Roy B., Jr.
Morgan, David C.
Morris, William L., Jr.
Morrogh, William P.
Morse, Minot C., Jr.
Myers, Ronald G.
Neiley, Alexander
Nelson, William E., Jr.
Nolan, James M.
Norton, Julian H., Jr.
Odell, Jean M.
Oglo, Michael F.
Ort, Eddie P., III
O'Toole, Charles S., Jr.
Ott, Norman K., Jr.
Oxenford, Robin A.
Paterson. Dale R.
Patterson, Thomas J., Jr.
Pearson, Donald V.
Penney, William M., Jr.
Peterson, Charles K.
Peterson, Dana C.
Peterson, Norman G.
Pipkin, Cyril M.
Platt, Alvin W.
Plihal, Richard G.
Popham, Neal R.
Potter, Ramon G.
Power, Edward J., Jr.
Putek, Henry W.
Raley, John W., Jr.
Ringis, Romaine H.
Ritchie, Charles M.
Rogner, Eric E.
Rollins, James R.
Roon, Eugene R.
Roskopp, Frederick J.
Rumsfeld, Donald H.
Russ, William A.
Sampson, Harvey R.
Scarbrough, William R., Jr.
Schaefer, James A.
Schafer, Robert W.
Sharff, Aaron R., Jr.
Schippmann, Edward D.
Schroats, Richard P.
Scott, Ronald C.
Seibert, Moody G.
Selph, Wade E.
Shaughnessy, William M.
Shelley, Leon R.
Shuck, Thomas L.
Siken, James P.
Simons, Robert I.
Skidmore, Sidney A., Jr.
Sloan, Ben L.
Sloan, Charles E.
Smith, Joseph C.
Smith, Lowell C.
Smith, Ralph W., Jr.
Smith, Ralph E.
Smith, Tracy D.
Sobke, Gene E.
Soldatos, George E.
Spencer, Billie H.
Stephany, George G., Jr.
Stewart, John H.
Stewart, Robert E.
Strachan, John
Strasburg, Louis G.
Streit, Peter L., Jr.
Stubblefield, Roderick W.
Sudduth, Jack W.
Sudler, Louis C., Jr.
Swan, Benjamin D.
Taylor, Victor G.
Thomas, Dean C.
Thomas, Wayne D.
Thompson, Emory C.
Tinley, John H.
Todd, Harold C.
Uddenberg, Bertram J.
Utzinger, Roland J.
Wadsworth, Roger K.
Walker, William B.
Walsh, Leo A.
Wenning, Robert A.
Wheeler, John P., Jr.
Wiggins, Glenn R.
Wilkinson, Keith A.
Williams, John C.
Williams, Roy E.
Wright, Russell A.
Wunsch, William F.
Young, Richard E.
Zirps, George

The following-named women officers of the U.S. Naval Reserve for permanent promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Cogswell, June M.
Cross, Vilna A.
Denker, Patricia M.
Hoeck, Jeanne F.
Javaras, Eftyhia I.
Kasky, Ruth L.
Schekorra, Eva W.
Stovall, Eula M.

Lt. Comdr. Henrietta R. Lanier, U.S. Naval Reserve, for permanent promotion to the grade of commander in the line, subject to qualification therefor as provided by law.

Executive nominations received by the Senate March 17, 1975:

THE JUDICIARY

Dick Yin Wong, of Hawaii, to be U.S. district judge for the district of Hawaii vice Martin Pence, retired.

Robert O'Conor, Jr., of Texas, to be U.S. district judge for the southern district of Texas vice Ben C. Connally, retired.

DEPARTMENT OF JUSTICE

Lawrence J. Semenza, of Nevada, to be U.S. attorney for the district of Nevada for the term of 4 years vice V. DeVoe Heaton, resigned.

Mark W. Buyck, Jr., of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years vice John K. Grisso, term expired.

IN THE NAVY

Adm. Worth H. Bagley, U.S. Navy, for appointment to the grade of admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Adm. Harold E. Shear, U.S. Navy, for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085, in the grade of admiral.

Vice Adm. David H. Bagley, U.S. Navy, having been designated for commands and other duties of great importance and responsibility determined by the President to be commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of admiral while so serving.

EXTENSIONS OF REMARKS

QUALITY DENTAL CARE

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, March 17, 1975

Mr. HELMS. Mr. President, on Wednesday of last week, a number of my colleagues and I had the pleasure of meeting with representatives of the boards of dental examiners from 10 States. Specifically, the States of Alabama, Florida, Georgia, Louisiana, North Carolina, Oregon, South Carolina, Tennessee, Texas, and Virginia were represented. Additionally, the president of the American Association of Dental Examiners, Dr. James R. Little of St. Paul, Minn.; the secretary-treasurer of the American Association of Dental Examiners, Mr. B. J. Crawford of Chicago, Ill.; and the president of the American Dental Association, Dr. L. M. Kennedy of Dallas, Tex., were present. In all, 28 people took time off from their busy schedules to come to Washington and in many instances traveled substantial distances in order to be here.

They came because like an increasing number of other good citizens they are concerned about the way things are going in this country. Particularly, they are disturbed about a matter in which they have special insight—the efforts on the part of the Department of Health, Education, and Welfare and its Division of Dentistry to coerce State legislatures and State dental boards into allowing less qualified, nonprofessional persons to perform dental functions such as actually placing final dental restorations—fillings—in patients' teeth.

Now these concerned citizens did not come to Washington as representatives of the dental profession—though they are practicing dentists; they came as members of the various boards of dental examiners of their respective States. As members of such boards, it is their duty to protect the consumers of dental care from becoming the victims of improper dental practices and to provide appropriate standards for dental care in their States. The dental boards are agencies of State government. They represent the citizens of their State, and it was in this fine spirit of good citizenship that they met to discuss problems that are being created by HEW in derogation of the public interest.

While in Washington, they drafted a brief statement of their purpose and goals. I would like to share this statement with my fellow Senators.

Mr. President, I ask unanimous consent that a statement entitled "Dental Care in Our State: A Statement From Our State Dental Board," prepared on March 11, 1975, be printed in the Extensions of Remarks.

Without objection, the statement was ordered to be printed in the Extensions of Remarks as follows:

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

DENTAL CARE IN OUR STATE—A STATEMENT FROM OUR STATE DENTAL BOARD

We are present today as representatives of the people of our States, as the duly constituted authority for the control and regulation of the practice of dentistry within our State. It is our statutory duty to protect our citizens from the illegal and unethical practice of dentistry. We do this by examination and licensure of qualified people, the investigation and prosecution of those individuals in violation of our State laws. We provide standards by which dental educational institutions are approved. All of this is to protect the consumers of dental care and the health, safety and welfare of the general public.

We are here today because the Division of Dentistry of the Department of Health, Education, and Welfare is making it impossible for us to continue to protect the citizens of our State and to guarantee them that those who provide dental care are qualified and competent.

The Department of Health, Education, and Welfare and its Division of Dentistry have exceeded the intent of Congress by implementing Federal law with rules, regulations and guidelines which require the subordination of State laws in order for dental educational institutions to qualify for Federal funds. Such subordination of State laws is demonstrated by the HEW requirement that unlicensed persons be taught dental functions which are illegal in forty-three States; for example, the placing of final dental restorations (fillings). Otherwise, funds are withheld. HEW is spending vast amounts of tax dollars on programs which are ineffective in resolving the dental problems of the consumers of dental care. In the granting or withholding of Federal funds, HEW is in effect coercing dental educational institutions to advocate the revision of State laws in such a manner as to allow nonprofessionals who have not been required to attain the same standards previously required of professionals to provide dental care to consumers. Obviously, it is not the proper function of unelected officials in HEW to influence or structure state laws.

We believe that such action on the part of HEW will result in the deterioration of the quality of dental care. Of course, the poor, the disadvantaged, and the minorities with less economic flexibility, will be the primary recipients of such lower quality care. It is our view that the traditional American free enterprise system has provided the highest level of dental care in the world, with the greatest availability of such care to the most consumers. Future plans in the field of dental development should be consistent with this concept, and with a minimum of Federal intervention.

AN OPEN LETTER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1975

Mr. CRANE. Mr. Speaker, in the March 11, 1975 issue of the RECORD I included in the Extension of Remarks an address given by President Thieu to a delegation of our colleagues who were recently in the Republic of South Vietnam.

Today I would like to call to the attention of the Members of this body an editorial in the Saigon Post—one of 16 newspapers published in that city—which was also addressed to the congressional delegations. I believe this editorial expresses the view of at least a substantial body of the ordinary people of South Vietnam and, therefore, should be of considerable interest to our colleagues.

The editorial, dated March 3, 1975, follows:

ON OPEN LETTER TO U.S. LEGISLATORS IN VIETNAM

DEAR FRIENDS: Godspeed as you return to the United States after a visit to Vietnam.

You have heard the pros and cons on the need of additional aid for the Republic of Vietnam and assessments on the current situation prevailing here. Doubtless, in your meetings with a cross section of the community, you were treated to discourses on the prosaic and the ponderous. Undoubtedly, too, you must have been regaled with perorations about what is right and what is wrong in Vietnam.

We do not propose to dwell on this right-or-wrong-course controversy. We are not concerned with politics. We are but ordinary people concerned with a free Vietnam—free of communism and the totalitarian way of life.

Allow us simple citizens to air a few thoughts.

We shall not be presumptious by discussing American interests. In truth, we do not know much about it. What we do know is that a little over a decade ago, you committed troops to Vietnam. And from the beginning to the end of that presence, there were not a few mistakes by Americans as well as Vietnamese. It cannot be denied that the presence of these American troops gave rise to a very special situation replete with problems which it was our lot to inherit.

We do not want to argue about the merits of your desire to end involvement in Vietnam for the sake of your own interest and, may we say, ours too.