SENATE—*Wednesday, February 21, 1973*

The Senate met at 12 o'clock meridian and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

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

O God, our Father, we thank Thee for Thy mercies which are new every morning. In reverent mood and quiet spirit we offer to Thee the devotion of our hearts and the service of our lives. In our work, make us diligent. In our pleasure, keep us pure. In our homes, make us loving. In association with our colleagues, make us courteous and kind. In our dealings with ourselves, make us honest to face the truth. If we are tempted, help us to look to Thee for grace. If we have difficult tasks, help us to turn to Thee for strength beyond ourselves. Help us, O Lord, to test everything by Thy presence so that we may come to the close of the day free from guilt and without regrets.

Through Him who is our redeemer and judge. 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., February 21, 1973.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 3694) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 3694) to amend the joint resolution establishing the American Revolution Bicentennial Commission, as amended, was read twice by its title and referred to the Committee on the Judiciary.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 20, 1973, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

RABBIT MEAT INSPECTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 30, S. 43.

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

The assistant legislative clerk read as follows:

S. 43. To provide for the mandatory inspection of rabbits slaughtered for human food, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 3, line 11, after the word "to", strike out "January 1, 1972," and insert "July 1, 1973,"; 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 except as provided in section 2 of this Act, all the penalties, terms, and other provisions in the Poultry Products Inspection Act (71 Stat. 441; 21 U.S.C. 451–470) are hereby made applicable (1) to domestic rabbits, the carcasses of such rabbits, and parts and products thereof, and to the establishments in which domestic rabbits are slaughtered or in which the carcasses, or parts or products thereof, are processed, (2) to all persons who slaughter domestic rabbits or prepare or handle the carcasses of such rabbits or parts or products thereof, and (3) to all other persons who perform any act relating to domestic rabbits or the carcasses of such rabbits or parts or products thereof, and who would be subject to such provisions if such acts related to poultry or the carcasses of poultry, or parts or products thereof; and such provisions shall apply in the same manner and to the same extent as such provisions apply with respect to poultry and the carcasses of poultry, and parts and products thereof, and to persons who perform acts relating to poultry, the carcasses of poultry, or parts or products thereof.

SEC. 2. (a) The provisions in paragraph (a) (4) of section 9, paragraph (a) (2) of section 15, and section 29 of the Poultry Products Inspection Act shall not apply with respect to domestic rabbits or the carcasses of such rabbits, or parts or products thereof. The two-year period specified in paragraph (c) (1) of section 5 of such Act and the periods contemplated by paragraph (c) (4) of such section shall commence upon the date of enactment hereof, with respect to domestic rabbits and the carcasses of such rabbits, and parts and products thereof; and in applying the volume provisions in paragraphs (c) (3) and (c) (4) of section 15 of such Act, the volume restrictions applicable to turkeys shall apply to rabbits.

(b) For purposes of this Act—

(1) wherever the term "poultry" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to domestic rabbits;

(2) wherever the term "poultry product" is used in the Poultry Products Inspection Act, such term shall be deemed to refer to rabbit product; and

(3) the reference to domesticated bird in section 4(c) of the Poultry Products Inspection Act shall be deemed to refer to domestic rabbit.

SEC. 3. This Act shall become effective upon enactment, except that no person shall be subject to the provisions of this Act prior to July 1, 1973, unless such person after enactment of this Act applies for and receives inspection for the processing for commerce (as defined in the Poultry Products Inspection Act) of domestic rabbits or the carcasses of such rabbits, or parts or products thereof, in accordance with the provisions of this Act and pursuant to regulations promulgated by the Secretary of Agriculture under this Act. Any person who voluntarily applies for and receives such inspection after enactment hereof shall be subject, on and after the date he commences to receive such inspection, to all of the provisions (including penalties) of the Poultry Products Inspection Act as applied hereby in relation to domestic rabbits, the carcasses of such rabbits, and parts and products thereof.

SEC. 4. The provisions hereof shall not in any way affect the application of the Poultry Products Inspection Act in relation to poultry, poultry carcasses, and parts and products thereof.

The amendment was agreed to.

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

PROGRAM FOR REMAINDER OF THE WEEK

Mr. SCOTT of Pennsylvania. Mr. President, will the distinguished majority leader yield for a question?

Mr. MANSFIELD. I am delighted to yield to the distinguished Republican leader.

Mr. SCOTT of Pennsylvania. Would the distinguished majority leader inform us of the program for today, and if possible, for the remainder of the week?

Mr. MANSFIELD. Mr. President, well, as the Senator is aware, the unfinished business is S. 394 having to do with the REA Act. There are two amendments pending on which, I understand, there well may be a vote today and a vote also on final passage.

Following that, we will take up S. 39, the aircraft hijacking bill, in which the distinguished Republican leader has indicated a great deal of interest. That should finish our work for today.

Tomorrow there will be three bills out of the Veterans' Committee, two of which, I believe, were vetoed after Congress adjourned sine die. There may well

be votes on those two bills tomorrow and then we should have a number of bills out of the Committee on Rules and Administration relative to the financing of the various standing and special committees of the Senate.

Thus, it looks as though we shall have votes today and votes tomorrow and, depending on the speed or the lack of speed in the consideration of the money bills, we shall very likely be in session through Friday of this week.

Mr. SCOTT of Pennsylvania. I thank the distinguished majority leader.

JOINT MEETING OF SENATE DEMOCRATIC LEADERSHIP WITH HOUSE MAJORITY LEADERSHIP

Mr. MANSFIELD. Mr. President, the Senate Democratic leadership met yesterday morning with the House majority leadership. This was the latest in a series of joint meetings which was initiated at the outset of the current Congress. The objective of this regular contact of the two leaderships is to facilitate cooperation and coordination between the Houses and to act in concert, wherever feasible, to safeguard the prerogatives and discharge more effectively the responsibilities of the Congress.

At the meeting on yesterday, the President's state of the Union message with regard to environmental legislation was a major item of discussion. It was our joint view that the message gave a somewhat incomplete, if not distorted, picture of what had been done in this field by the last Congress although there was much in the message that I approved of. Actually the legislative record of the 92d Congress on the protection and restoration of the Nation's physical environment was outstanding. It was achieved sometimes with the cooperation of the administration but, not infrequently, in the face of the indifference or opposition of the administration. In any event, the Speaker and I agreed to issue a joint comment on this matter since it was raised in this fashion by the administration.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement that was released to the press and also the message of the President of the United States covering the environment.

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

AGENDA ITEM I: STATEMENT OF SPEAKER ALBERT AND SENATE MAJORITY LEADER MANSFIELD

On Wednesday last, the President made a radio talk to the nation dealing with the environment and natural resources. The next day, the second section of his State of the Union Message was sent to Congress. It was a report on the state of our natural resources and the environment.

We regret that the President found it necessary to emphasize his disappointment that the 92d Congress had failed to act upon 19 key natural reosurces and environmental proposals. It might have been more positive to note that in 1971 and 1972 the House and Senate passed over 150 measures dealing with the environment and natural resources and that more than 90 of these measures became public law. Many of these items were not requested by the Administration at all and others were actually opposed by the Administration, notwithstanding the urgent needs of the nation. In fact, one item he claims in his list of nineteen—the safe drinking water standards bill—was not initiated by the Administration and was opposed by the Executive Branch.

Most important of the measures passed by the 92nd Congress was a far-reaching Water Pollution Control Act which the President saw fit to veto in the last days of the Congress. The Senate and House overrode this veto, overwhelmingly, on the day of adjournment. What happened then? The funds to put this essential measure into effect were withheld on dubious Constitutional grounds by the Administration.

The 92nd Congress enacted other measures of critical importance to the environment, including landmark legislation in such fields as anti-ocean dumping, pesticide control, noise pollution control, ports and waterways safety. Two other major measures were enacted over the bitter resistance of the Administration, one dealing with Coastal Zone Management and the other with the Protection of Marine Mammals, Whales, Porpoises, Seals and so forth, which are fast headed towards extinction.

To be sure, there are certain environmental measures which were not enacted into law during the 92nd Congress. First in priority are the bills which were vetoed by the President: Flood control which has already been re-passed by the Senate this year and is now before the House; a mining and minerals policy amendment; an environmental data system; and the water pollution control act which has already been mentioned.

As far as major environmental legislation left over from the 92nd Congress, as noted by the President, in our judgment four of the nineteen measures are of particular significance; strip mining controls; toxic substances controls; land use policy; and power plant siting. All of these are once again in the legislative mill. The Congress is aware of the need for legislation in these areas. Indeed, the initiative had already been taken in the House and Senate to deal with them before the arrival of the President's message of disappointment.

PRESIDENT'S MESSAGE ON ENVIRONMENT

To the Congress of the United States:

With the opening of a new Congress and the beginning of a new Presidential term come fresh opportunities for achievement in America. To help us consider more adequately the very special challenges of this new year, I am presenting my 1973 State of the Union Message in a number of sections.

Two weeks ago I sent the first of those sections to the Congress—an overview reporting that "the basic state of our Union today is sound, and full of promise."

Today I wish to report to the Congress on the state of our natural resources and environment. It is appropriate that this topic be first of our substantive policy discussions in the State of the Union presentation, since nowhere in our national affairs do we have more gratifying progress—nor more urgent, remaining problems.

There was a time when Americans took our natural resources largely for granted. For example, President Lincoln observed in his State of the Union message for 1862 that "A nation may be said to consist of its territory, its people, and its laws. The territory is the only part which is certain durability."

In recent years, however, we have come to realize that our "territory"—that is, our land, air, water, minerals, and the like—is not of "certain durability" after all. We have learned that these natural resources are fragile and finite, and that many have been seriously damaged or despoiled.

When we came to office in 1969, we tackled this problem with all the power at our command. Now there is encouraging evidence that the United States has moved away from the environmental crisis that could have been and toward a new era of restoration and renewal. Today, in 1973, I can report to the Congress that we are well on the way to winning the war against environmental degradation—well on the way to making our peace with nature.

YEARS OF PROGRESS

While I am disappointed that the 92d Congress failed to act upon 19 of my key natural resources and environment proposals, I am pleased to have signed many of the proposals I supported into law during the past four years. They have included air quality legislation, strengthened water quality and pesticide control legislation, new authorities to control noise and ocean dumping, regulations to prevent oil and other spills in our ports and waterways, and legislation establishing major national recreation areas at America's Atlantic and Pacific gateways, New York and San Francisco.

On the organizational front, the National Environmental Policy Act of 1969 has reformed programs and decision-making processes in our Federal agencies and has given citizens a greater opportunity to contribute as decisions are made. In 1970 I appointed the first Council on Environmental Quality—a group which has provided active leadership in environmental policies. In the same year, I established the Environmental Protection Agency and the National Oceanic and Atmospheric Administration to provide more coordinated and vigorous environmental management. Our natural resource programs still need to be consolidated, however, and I will again submit legislation to the Congress to meet this need.

The results of these efforts are tangible and measurable. Day by day, our air is getting cleaner; in virtually every one of our major cities the levels of air pollution are declining. Month by month, our water pollution problems are also being conquered, our noise and pesticide problems are coming under control, our parklands and protected wilderness areas are increasing.

Year by year, our commitment of public funds for environmental programs continues to grow; it has increased four-fold in the last four years. In the area of water quality alone, it has grown fifteen-fold. In fact, we are now buying new facilities nearly as fast as the construction industry can build them. Spending still more money would not buy us more pollution control facilities but only more expensive ones.

In addition to what Government is doing in the battle against pollution, our private industries are assuming a steadily growing share of responsibility in this field. Last year industrial spending for pollution control jumped by 50 percent, and this year it could reach as much as $5 billion.

All nations, regardless of their economic systems, share to some extent in the environmental problem—but with vigorous United States leadership, joint efforts to solve this global problem are showing results. The United Nations has adopted the American proposal for a special U.N. environmental fund to coordinate and support international environmental programs.

Some 92 nations have concluded an international convention to control the ocean dumping of wastes. An agreement is now being forged in the Intergovernmenal Maritime Consultative Organization to end the intentional discharge of oil from ships into the ocean. This objective, first recommended by my Administration, was adopted by the NATO Committee on the Challenges of Modern Society.

Representatives of almost 70 countries are meeting in Washington this week at our initiative to draft a treaty to protect endan-

gered species of plant and animal wildlife. The U.S.-USSR environmental cooperation agreement which I signed in Moscow last year makes two of the world's greatest industrial powers allies against pollution. Another agreement which we concluded last year with Canada will help to clean up the Great Lakes.

Domestically, we can also be proud of the steady progress being made in improving the quality of life in rural and agricultural America. We are beginning to break away from the old, rigid system of controls which eroded the farmer's freedom through Government intrusion in the marketplace. The new flexibility permitted by the Agricultural Act of 1970 has enabled us to help expand farm markets and take advantage of the opportunity to increase exports by almost 60 percent in just three years. Net farm income is at an all-time high, up from $16.1 billion in 1971 to $19 billion in 1972.

PRINCIPLES TO GUIDE US

A record is not something to stand on; it is something to build on. And in this field of natural resources and the environment, we intend to build diligently and well.

As we strive to transform our concern into action, our efforts will be guided by five basic principles:

The first principle is that we must strike a balance so that the protection of our irreplaceable heritage becomes as important as its use. The price of economic growth need not and will not be deterioration in the quality of our lives and our surroundings.

Second, because there are no local or State boundaries to the problems of our environment, the Federal Government must play an active, positive role. We can and will set standards and exercise leadership. We are providing necessary funding support. And we will provide encouragement and incentive for others to help with the job. But Washington must not displace State and local initiative, and we shall expect the State and local governments—along with the private sector—to play the central role in making the difficult, particular decisions which lie ahead.

Third, the costs of pollution should be more fully met in the free marketplace, not in the Federal budget. For example, the price of pollution control devices for automobiles should be borne by the owner and the user and not by the general taxpayer. The costs of eliminating pollution should be reflected in the costs of goods and services.

Fourth, we must realize that each individual must take the responsibility for looking after his own home and workplace. These daily surroundings are the environment where most Americans spend most of their time. They reflect people's pride in themselves and their consideration for their communities. A person's backyard is not the domain of the Federal Government.

Finally, we must remain confident that America's technological and economic ingenuity will be equal to our environmental challenges. We will not look upon these challenges as insurmountable obstacles.

Instead, we shall convert the so-called crisis of the environment into an opportunity for unprecedented progress.

CONTROLLING POLLUTION

We have made great progress in developing the laws and institutions to clean up pollution. We now have formidable new tools to protect against air, water and noise pollution and the special problem of pesticides. But to protect ourselves fully from harmful contaminants, we must still close several gaps in governmental authority.

I was keenly disappointed when the last Congress failed to take action on many of my legislative requests related to our natural resources and environment. In the coming weeks I shall once again send these urgently needed proposals to the Congress so that the unfinished environmental business of the 92nd Congress can become the environmental achievements of the 93rd.

Among these 19 proposals are eight whose passage would give us much greater control over the sources of pollution:

Toxic substances. Many new chemicals can pose hazards to humans and the environment and are not well regulated. Authority is now needed to provide adequate testing standards for chemical substances and to restrict or prevent their distribution if testing confirms a hazard.

Hazardous wastes. Land disposal of hazardous wastes has always been widely practiced but is now becoming more prevalent because of strict air and water pollution control programs. The disposal of the extremely hazardous wastes which endanger the health of humans and other organisms is a problem requiring direct Federal regulation. For other hazardous wastes, Federal standards should be established with guidelines for State regulatory programs to carry them out.

Safe drinking water. Federal action is also needed to stimulate greater State and local action to ensure high standards for our drinking water. We should establish national drinking water standards, with primary enforcement and monitoring powers retained by the State and local agencies, as well as a Federal requirement that suppliers notify their customers of the quality of their water.

Sulfur oxides emissions charge. We now have national standards to help curtail sulfur emitted into the atmosphere from combustion, refining, smelting and other processes, but sulfur oxides continue to be among our most harmful air pollutants. For that reason, I favor legislation which would allow the Federal Government to impose a special financial charge on those who produce sulfur oxide emissions. This legislation would also help to ensure that low-sulfur fuels are allocated to areas where they are most urgently needed to protect the public health.

Sediment control. Sediment from soil erosion and runoff continues to be a pervasive pollutant of our waters. Legislation is needed to ensure that the States make the control of sediment from new construction a vital part of their water quality programs.

Controlling environmental impacts of transportation. As we have learned in recent years, we urgently need a mass transportation system not only to relieve urban congestion but also to reduce the concentrations of pollution that are too often the result of our present methods of transportation. Thus I will continue to place high priority upon my request to permit use of the Highway Trust Fund for mass transit purposes and to help State and local governments achieve air quality, conserve energy, and meet other environmental objectives.

United Nations environmental fund. Last year the United Nations adopted my proposal to establish a fund to coordinate and support international environmental programs. My 1974 budget includes a request for $10 million as our initial contribution toward the Fund's five-year goal of $100 million, and I recommend authorizing legislation for this purpose.

Ocean dumping convention. Along with 91 other nations, the United States recently concluded an international convention calling for regulation of ocean dumping. I am most anxious to obtain the advice and consent of the Senate for this convention as soon as possible. Congressional action is also needed on several other international conventions and amendments to control oil pollution from ships in the oceans.

MANAGING THE LAND

As we steadily bring our pollution problems under control, more effective and sensible use of our land is rapidly emerging as among the highest of our priorities. The land is our Nation's basic natural resource, and our stewardship of this resource today will affect generations to come.

America's land once seemed inexhaustible. There was always more of it beyond the horizon. Until the twentieth century we displayed a carelessness about our land, born of our youthful innocence and desire to expand. But our land is no longer an open frontier.

Americans not only need, but also very much want to preserve diverse and beautiful landscapes, to maintain essential farm lands, to save wetlands and wildlife habitats, to keep open recreational space near crowded population centers, and to protect our shorelines and beaches. Our goal is to harmonize development with environmental quality and to add creatively to the beauty and long-term worth of land already being used.

Land use policy is a basic responsibility of State and local governments. They are closer to the problems and closer to the people. Some localities are already reforming land use regulation—a trend I hope will accelerate. But because land is a national heritage, the Federal Government must exercise leadership in land use decision processes, and I am today again proposing that we provide it. In the coming weeks, I will ask the Congress to enact a number of legislative initiatives which will help us achieve this goal:

National land use policy. Our greatest need is for comprehensive new legislation to stimulate State land use controls. We especially need a National Land Use Policy Act authorizing Federal assistance to encourage the States, in cooperation with local governments, to protect lands of critical environmental concern and to regulate the siting of key facilities such as airports, highways and major private developments. Appropriate Federal funds should be withheld from States that fail to act.

Powerplant siting. An open, long-range planning process is needed to help meet our power needs while also protecting the environment. We can avoid unnecessary delays with a powerplant siting law which assures that electric power facilities are constructed on a timely basis, but with early and thorough review of long-range plans and specific provisions to protect the environment.

Protection of wetlands. Our coastal wetlands are increasingly threatened by residential and commercial development. To increase their protection, I believe we should use the Federal tax laws to discourage unwise development in wetlands.

Historic preservation and rehabilitation. An important part of our national heritage are those historic structures in our urban areas which should be rehabilitated and preserved, not demolished. To help meet this goal, our tax laws should be revised to encourage rehabilitation of older buildings, and we should provide Federal insurance of loans to restore historic buildings for residential purposes.

Management of public lands. Approximately one-fifth of the Nation's land is considered "public domain", and lacks the protection of an overall management policy with environmental safeguards. Legislation is required to enable the Secretary of the Interior to protect our environmental interest on those lands.

Legacy of parks. Under the Legacy of Parks program which I initiated in 1971, 257 separate parcels of parklands and underused Federal lands in all 50 States have been turned over to local control for park and recreational purposes. Most of these parcels are near congested urban areas, so that millions of citizens can now have easy access to parklands. I am pleased to announce today that 16 more parcels of Federal land will soon be made available under this same program.

We must not be content, however, with just the Legacy of Parks program. New authority is needed to revise the formula for allocating grant funds to the States from the Land

and Water Conservation Fund. More of these funds should be channelled to States with large urban populations.

Mining on public lands. Under a statute now over a century old, public lands must be transferred to private ownership at the request of any person who discovers minerals on them. We thus have no effective control over mining on these properties. Because the public lands belong to all Americans, this 1872 Mining Act should be repealed and replaced with new legislation which I shall send to the Congress.

Mined area protection. Surface and underground mining can too often cause serious air and water pollution as well as unnecessary destruction of wildlife habitats and aesthetic and recreational areas. New legislation with stringent performance standards is required to regulate abuses of surface and underground mining in a manner compatible with the environment.

AMERICAN AGRICULTURE—A BASIC NATIONAL RESOURCE

Nearly three-fifths of America's land is in stewardship of the farmer and the rancher. We can be grateful that farmers have been among our best conservationists over the years. Farmers know better than most that sound conservation means better long-term production and improved land values. More importantly, no one respects and understands our soil and land better than those who make their living by the land.

But Americans know their farmers and ranchers best for all they have done to keep us the best-fed and best-clothed people in the history of mankind. A forward-looking agricultural economy is not only essential for environmental progress, but also to provide for our burgeoning food and fiber needs.

My Administration is not going to express its goal for farmers in confusing terms. Our goal, instead, is very simple. The farmer wants, has earned, and deserves more freedom to make his own decisions. The Nation wants and needs expanded supplies of reasonably priced goods and commodities.

These goals are complementary. Both have been advanced by the basic philosophy of the Agricultural Act of 1970. They must be further advanced by Congressional action this year.

The Agricultural Act of 1970 expires with the 1973 crop. We now face the fundamental challenge of developing legislation appropriate to the economy of the 1970's. Over the next several months, the future direction of the farm program must be discussed, debated and written into law. The outcome of this process will be crucial not only to farmers and ranchers, but to consumers and taxpayers as well.

My Administration's fundamental approach to farm policy is to build on the forward course set by the 1970 Act. These principles should guide us in enacting new farm legislation.

Farmers must be provided with greater freedom to make production and marketing decisions. I have never known anyone in Washington who knows better than a farmer what is his own best interest.

Government influence in the farm commodity marketplace must be reduced. Old fashioned Federal intrusion is as inappropriate to today's farm economy as the old McCormick reaper would be on a highly sophisticated modern farm.

We must allow farmers the opportunity to produce for expanding domestic demands and to continue our vigorous competition in export markets. We will not accomplish that goal by telling the farmer how much he can grow or the rancher how much livestock he can raise. Fidelity to this principle will have the welcome effect of encouraging both fair food prices for consumers and growing income from the marketplace for farmers.

We must reduce the farmer's dependence on Government payments through increased returns from sales of farm products at home and abroad. Because some of our current methods of handling farm problems are outmoded, the farmer has been unfairly saddled with the unflattering image of drinking primarily at the Federal well. Let us remember that more than 93 percent of gross farm income comes directly through the marketplace. Farmers and ranchers are strong and independent businessmen; we should expand their opportunity to exercise their strength and independence.

Finally, we need a program that will put the United States in a good posture for forthcoming trade negotiations.

In pursuing all of these goals, we will work closely through the Secretary of Agriculture with the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture to formulate and enact new legislation in areas where it is needed.

I believe, for example, that dairy support systems, wheat, feed grains and cotton allotments and bases—some established decades ago—are drastically outdated. They tend to be discriminatory for many farm operators.

It would be desirable to establish, after a reasonable transition period, a more equitable basis for production adjustment in the agricultural economy should such adjustment be needed in the years ahead. Direct Federal payments should, at the end of the transition period, be limited to the amounts necessary to compensate farmers for withholding unneeded land from crop production.

As new farm legislation is debated in the months ahead, I hope the Congress will address this important subject with a deep appreciation of the need to keep the Government off the farm as well as keeping the farmer on.

PROTECTING OUR NATURAL HERITAGE

An important measure of our true commitment to environmental quality is our dedication to protecting the wilderness and its inhabitants. We must recognize their ecological significance and preserve them as sources of inspiration and education. And we need them as places of quiet refuge and reflection.

Important progress has been made in recent years, but still further action is needed in the Congress. Specifically, I will ask the 93rd Congress to direct its attention to the following areas of concern:

Endangered species. The limited scope of existing laws requires new authority to identify and protect endangered species before they are so depleted that it is too late. New legislation must also make the taking of an endangered animal a Federal offense.

Predator control. The widespread use of highly toxic poisons to kill coyotes and other predatory animals has spread persistent poisons to range and forest lands without adequate foresight of environmental effects. I believe Federal assistance is now required so that we can find better means of controlling predators without endangering other wildlife.

Wilderness areas. Historically, Americans have always looked westward to enjoy wilderness areas. Today we realize that we must also preserve the remaining areas of wilderness in the East, if the majority of our people are to have the full benefit of our natural glories. Therefore I will ask the Congress to amend the legislation that established the Wilderness Preservation System so that more of our Eastern lands can be included.

Wild and scenic rivers. New legislation is also needed to continue our expansion of the national system of wild and scenic rivers. Funding authorization must be increased by $20 million to complete acquisitions in seven areas, and we must extend the moratorium on Federal licensing for water resource projects on those rivers being considered for inclusion in the system.

Big Cypress National Fresh Water Preserve. It is our great hope that we can create a reserve of Florida's Big Cypress Swamp in order to protect the outstanding wildlife in that area, preserve the water supply of Everglades National Park and provide the Nation with an outstanding recreation area. Prompt passage of Federal legislation would allow the Interior Department to forestall private or commercial development and inflationary pressures that will build if we delay.

Protecting marine fisheries. Current regulation of fisheries off U.S. coasts is inadequate to conserve and manage these resources. Legislation is needed to authorize U.S. regulation of foreign fishing off U.S. coasts to the fullest extent authorized by international agreements. In addition, domestic fishing should be regulated in the U.S. fisheries zone and in the high seas beyond that zone.

World heritage trust. The United States has endorsed an international convention for a World Heritage Trust embodying our proposals to accord special recognition and protection to areas of the world which are of such unique natural, historical, or cultural value that they are a part of the heritage of all mankind. I am hopeful that this convention will be ratified early in 1973.

Weather modification. Our capacity to affect the weather has grown considerably in sophistication and predictability, but with this advancement has also come a new potential for endangering lives and property and causing adverse environmental effects. With additional Federal regulations, I believe that we can minimize these dangers.

MEETING OUR ENERGY NEEDS

One of the highest priorities of my Administration during the coming year will be a concern for energy supplies—a concern underscored this winter by occasional fuel shortages. We must face up to a stark fact in America: we are now consuming more energy than we produce.

A year and a half ago I sent to the Congress the first Presidential message ever devoted to the energy question. I shall soon submit a new and far more comprehensive energy message containing wide-ranging initiatives to ensure necessary supplies of energy at acceptable economic and environmental costs. In the meantime, to help meet immediate needs, I have temporarily suspended import quotas on home heating oil east of the Rocky Mountains.

As we work to expand our supplies of energy, we should also recognize that we must balance those efforts with our concern to preserve our environment. In the past, as we have sought new energy sources, we have too often damaged or despoiled our land. Actions to avoid such damage will probably aggravate our energy problems to some extent and may lead to higher prices. But all development and use of energy sources carries environmental risks, and we must find ways to minimize those risks while also providing adequate supplies of energy. I am fully confident that we can satisfy both of these imperatives.

GOING FORWARD IN CONFIDENCE

The environmental awakening of recent years has triggered substantial progress in the fight to preserve and renew the great legacies of nature. Unfortunately, it has also triggered a certain tendency to despair. Some people have moved from complacency to the opposite extreme of alarmism, suggesting that our pollution problems were hopeless and predicting impending ecological disaster. Some have suggested that we could never reconcile environmental protection with continued economic growth.

I reject this doomsday mentality—and I hope the Congress will also reject it. I believe that we can meet our environmental

challenges without turning our back on progress. What we must do is to stop the hand-wringing, roll up our sleeves and get on with the job.

The advocates of defeatism warn us of all that is wrong. But I believe they underestimate this Nation's genius for responsive adaptability and its enormous reservoir of spirit.

I believe there is always a sensible middle ground between the Cassandras and the Pollyannas. We must take our stand upon that ground.

I have profound respect for the enormous challenge ahead, but I have even stronger respect for the capacity and character of the American people. Many of us have heard the adage that the last letters of the word, "American," say I can." I am confident that we can, and we will, meet our natural resource challenges.

THE BUDGET

Mr. SCOTT of Pennsylvania. Mr. President, philosophically, the problem with Congress and the programs advanced by the party responsible for the legislation, reminds me at times of the treatment of a patient who, if he has a headache, would normally take one or two aspirins, but the congressional solution is to give him the whole bottle.

If it is desirable that he get more sun lamp treatment, instead of the prescribed 10 minutes or 20 minutes, he is kept under the lamp all day. It is the overprescribing for the ills—sometimes presumed ills—of the Nation which puts us in the bucket in which we find ourselves; namely, we are appropriating a lot more money than we are taking in, and we are even above the administration's deficits in its budget proposals by $11 billion for this year, and for the coming fiscal year some $27 billion. The money just is not there.

It is difficult because, as I said yesterday, we are all responsible. We voted for these things last year, and some of us will vote for them again. When they come before us after a veto, and the veto is not sustained, we go through the debt ceiling by our own legislation, and we contribute to inflation, which we collectively deplore. Then we face a congressional tax increase, which we always call "tax reform."

These are alternatives that have to be faced, and it is perfectly proper to say that we need to do some of this and some of that, for those; but if we overprescribe for the ills of the American people, we do not cure them; we simply make them a lot sicker.

This is the situation I think we ought to face.

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

Mr. SCOTT of Pennsylvania. I am happy to yield.

Mr. MANSFIELD. The distinguished Republican leader has just taken off on a flight into the wild blue yonder.

Mr. SCOTT of Pennsylvania. That is what I said Congress was doing.

Mr. MANSFIELD. Well, make it singular rather than plural. But I would point out that what this Congress has done—both Democrats and Republicans together—has been to reduce the President's budget request over the past 4 years by $20.2 billion. That is what Congress did to the President's budget requests. During the same 4 years, the executive branch of the Government has created a deficiency of about $104.3 billion.

So I think that what Congress has done is something for which we should give ourselves a little credit. We should not become the whipping boy or remain the whipping boy for all these allegations made about what spendthrifts we are, how we are throwing money away like a sailor, when the record will bear out the figures I have just given.

Mr. SCOTT of Pennsylvania. I thank the distinguished majority leader.

The trouble with figures is that they can be made to justify each of our arguments. The fact is that when Congress reduces the President's budget, it usually takes it out of the defense items and says we can get along with less, because we do not need as much security as we have. But the figures cannot be controverted when we see what Congress does by the end of the session. Yes, Congress reduces specific budget items here and there and in other places, but it also adds to the requests of the President many times more.

There is a theory up here that you can cure anything by throwing money at it and that if the President recommends something, the best way to convince the voters that you are for it more than he is to double the recommendation.

I can only say that when Congress appropriates $261 billion and the President's request is for $250 billion, that is $11 billion more than the President requested.

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

Mr. SCOTT of Pennsylvania. I yield.

Mr. MANSFIELD. The President, I think, did not want us to double him on the social security figure; but once the bill was passed, he signed it and sent out notices, I understand, under his signature, which gave the impression that it was his doing and not that of Congress.

Mr. SCOTT of Pennsylvania. I think every President has sent out notices on social security or other matters over his signature. That is the way they are signed.

The President did recommend increases in social security, but he recommended that they be geared to the cost of living; and again Congress said, "We will up the ante." Of course, in upping the ante, we have increased the social security taxes in turn, which also is reflected in the total budget.

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

Mr. SCOTT of Pennsylvania. I yield.

Mr. MANSFIELD. My recollection is that in addition to the 20-percent increase which Congress voted for and which the President signed, a cost-of-living factor also is included. I may be wrong about that, but that is my recollection.

Mr. SCOTT of Pennsylvania. The Senator is right. My point is that that is what the President recommended—the cost of living and some current increase in the social security payment.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I did not use my 5 minutes, so I will yield to the Senator my remaining 3 minutes.

Mr. SCOTT of Pennsylvania. I thank the distinguished majority leader.

ANTIHIJACKING AGREEMENTS

Mr. SCOTT of Pennsylvania. Mr. President, the Secretary of State this morning, in referring to the United States-Cuban hijacking agreement, indicated that this country is exploring the possibility of the same kind of agreement with Algeria.

I express the hope that wherever countries have been acting as asylum for hijackers, similar agreements be sought in order that the incentive for hijackers to grab money, endanger people, and escape to another country can be removed by leaving them nowhere to go.

THE CEASE-FIRE IN LAOS

Mr. SCOTT of Pennsylvania. Mr. President, with regard to the cease-fire in Laos tonight, I am glad that that has been achieved by the contending parties within the Government of Laos. That is the proper way to do it. I hope they can soon do that in Cambodia. The difficulty there is that it is hard to find someone to negotiate with, since the Government of Cambodia is being besieged by guerrilla movements in several different categories, and it is very difficult to find in the field anybody you can sit down and come to a cease-fire agreement with. That is a problem that is also being handled within the Cambodian Government.

In any event, the statement made by the administration that a cease-fire in Laos would come within 30 days after the cease-fire in Vietnam has proved to be accurate. The statement that a cease-fire in Cambodia would take a while longer also is accurate.

I was delighted this morning that the chairman of the Committee on Foreign Relations, in his opening statement, indicated a warm and friendly desire to cooperate with the Department of State and the administration. The Secretary of State pointed out that, with the exception of Vietnam, most of the time this cooperation had been possible; and I am delighted that we, too, have achieved a cease-fire in that regard.

APPOINTMENT BY PRESIDENT OF THE SENATE—U.S. NATIONAL COMMISSION FOR THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The ACTING PRESIDENT pro tempore (Mr. CLARK). The Chair, on behalf of the President of the Senate, reappoints the Senator from Kansas (Mr. DOLE) to the U.S. National Commission for the United Nations Educational Scientific, and Cultural Organization.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Sen-

ator from Minnesota is recognized for not to exceed 15 minutes.

PRESIDENT NIXON'S WAR ON THE POOR

Mr. HUMPHREY. Mr. President, I want to register a very sharp protest with respect to the administration's action in summarily shutting down the Office of Economic Opportunity.

I am appalled at the Nixon administration's incredible decision to transform the war on poverty into a war against the poor themselves. Twenty-six million Americans are being left behind in the wasteland of poverty, as the Nixon administration turns its back on them in a shocking display of contempt for the laws which it has been strictly charged by Congress to administer. In sharp contrast to the President's great concern to disengage from the war in Vietnam with honor, his administration is carrying out a sweeping disengagement from meeting critical domestic needs in America that amounts to outright capitulation.

The administration intends to shut down the Office of Economic Opportunity—the only advocate for millions of Americans who are otherwise without representation in the Washington bureaucracy—by not requesting any funding for fiscal 1974. But it is not content to wait even until July 1, 1973, to write the OEO obituary, which specifically would include the transfer to other Federal agencies of migrant, Indian, community economic development, health, and research and development programs.

Instead, it is reported that already the acting OEO Director, Mr. Howard Phillips, in aggressively carrying out this dismantlement, has rescinded grant approval authority for all OEO officials, has further delayed the release of funds critical to the immediate survival of local antipoverty programs, and has even, in effect, forbade travel by OEO regional office employees to provide technical assistance to grantees and to monitor their programs. Moreover, confusion and demoralization have resulted from recent telegraphed instructions that Community Action Agency grants for the remainder of the current fiscal year should be utilized solely for the phaseout of operations, and that renewed grants, after the end of February, should be only on a 30-day basis.

This is a blatant act of Executive arrogance that violates every sensitivity of government and of our society.

Whatever may be the merits or demerits of the OEO, it deserves at least a hearing in this body and in the other body. Once again, we see action that I can only characterize as careless disregard of human beings being taken by the executive branch of this Government. I rise to protest it. I do so on behalf of my State, on behalf of the Governor of the State of Minnesota, on behalf of the community action programs of the State of Minnesota, and on behalf of the people of my country, where I live. We have a splendid community action program in Wright County, Minn., that has saved 10 times the amount of money that has been invested in that program, that has helped thousands of our people, and that has been a godsend to many of the poor people of that area.

I say to the President of the United States that I hope he will reexamine the decision he has made with respect to OEO as he did in the instance of the Veterans' Administration benefits. This kind of action just demonstrates that the budget that has been placed before this Congress by the President of the United States is one that is antipoor people, anticity, antirural areas, antiminorities, and antiyouth.

Frankly, when I looked at the medicare proposals, I was even more shocked to find that that budget would increase medicare fees of the elderly of America, a group which has the largest number of poor, by $1 billion. What in the world has come over this Government is beyond me.

The blatant and cynical actions by this administration to present Congress with a fait accompli of empty OEO offices and to hastily dismember Community Action operations—in proposing to slice actual obligations for CAA's from $351 million in fiscal 1972 to only $285.3 million in the current fiscal year, as well as to terminate altogether Federal assistance for Community Action programs in fiscal 1974—must not be allowed to stand. They are in direct violation of the law. And they represent an open disdain for the powers of Congress under the U.S. Constitution.

It should be remembered that section 245 of the Economic Opportunity Act as amended—similar to seven sections under respective other titles in this act—specifically requires the Director of OEO to carry out the programs provided for in title II, including Community Action, through June 30, 1975. Next, the Economic Opportunity Amendments of 1972, which the President signed into law last September—Public Law 92-424—provide for the continuation of economic opportunity programs administered by OEO, through June 30, 1974, with an authorization of $840 million for the current fiscal year and a further $870 million for fiscal 1974. And this law also provides explicitly that—

> The Director of the Office of Economic Opportunity shall for each such fiscal year reserve and make available not less than $328,900,000 for programs under Section 221 of the Economic Opportunity Act of 1964 (meaning Community Action operations) and not less than $71,500,000 for legal service programs under Section 222(a)(3) of such act.

Finally, subsequently enacted legislation on supplemental appropriations for fiscal 1973—Public Law 92-607—provides for $790,200,000 for expenses necessary to carry out the provisions of the Economic Opportunity Act of 1964.

The intent of this legislative history and the letter of the law, therefore, are exceptionally clear and precise. Yet, despite significantly increased actual spending authority provided for by Congress for fiscal 1973 over the level of the previous fiscal year, the administration intends to hold back $43.6 million in funds explicitly reserved by Congress and required to be obligated for community action programs prior to June 30, 1973. Despite a fancy juggling of obligated balances, reflecting further unspent appropriations, to suggest a higher level of outlays, the fact of the matter is that a further $69.9 million will be missing from net obligations incurred for fiscal 1973 under the Economic Opportunity Act, if the administration has its way.

These unilateral actions by the administration make all the more mandatory early action on proposed legislation to provide that without affirmative action by Congress within 60 days, an impoundment of congressionally appropriated funds shall be disallowed.

Second, although a President who repeatedly has called upon the American people to respect and uphold the law should not require instructions from Congress that this same duty extends to his own administration with respect to the Economic Opportunity Act, I would strongly support a resolution explicitly requiring the retention of economic opportunity programs in accordance with the mandates of this law, to make it absolutely clear that the legislative process shall not be violated or manipulated.

And third, it may well be necessary to provide for a judicial test of the constitutionality of reported administration actions and proposed antipoverty agency and program transfers and terminations for fiscal 1974, should the administration contend that it is operating under delegation of authority provisions of the Economic Opportunity Act and that no obligation of reserved funds is required with a proposed absence of funding for community action and presently constituted legal services programs for fiscal 1974.

Finally, I would urge that action be expedited on legislation to provide for appropriations for fiscal 1974 for economic opportunity programs, to place this administration on early notice to abandon its present ill-advised course of action and to continue these programs. Only in this way can a constructive partnership be reestablished between the administration and Congress to enable effective review and deliberation of these programs and of such improvements in their operation as may be required.

It is frequently contended, however incorrect the assessment may be, that there is a limited constituency in support of programs in the war on poverty, and that, therefore, the administration will be able to proceed with its plans to close the Office of Economic Opportunity and to transfer or terminate these programs without any significant counteraction by Congress. I do not share this view. I believe there is strong public support for the funding of programs to help the poor, as well as for increased Federal expenditures for aid to education and to curb air and water pollution. A Harris survey of January 8, 1973, recorded a 2-to-1 ratio of public support for expanded Federal assistance in these areas.

I also do not concur in the view that the issue of the continuation of economic opportunity programs is the wrong battlefield for a contest of legislative versus executive branch powers, where it is suggested that Congress will be kept dis-

united as the administration proceeds to execute smoothly and without compunction its dismantlement of the war on poverty. Battlefields are rarely chosen; rather, they evolve as opposing forces increasingly come into collision. But if the administration has chosen the war on poverty as the site for a new war on the constitutional powers of Congress in the expectation that congressional forces will be weak and disorganized, it will be making one of the most profound miscalculations in the history of American Government.

But the strongest possible case can be made for joining this issue on its merits alone. The administration contends that "evidence is lacking that Community Action agencies are moving substantial numbers of people out of poverty on a self-sustaining basis." In this argument, the administration places the entire burden of the war on poverty on CAA's, when it is the administration's own misguided past fiscal and economic policies that have turned the Nation's advance in this war into a full-scale retreat, causing a rise in the number of poor people for the first time in a decade.

Second, this argument completely misses the whole purpose of Community Action agencies, which is to mobilize resources to help the poor achieve self-sufficiency and to foster effective efforts by State and local governments to fulfill their own responsibilities in promoting the general welfare of people.

That Community Action agencies are doing an exceptional job in achieving both these objectives has been clearly documented in a recent survey of 591 CAA's by the OEO's own Office of Operations—a survey which OEO has not permitted to be printed, in all probability because it confronts the ideology of the present OEO management with hard facts that refute arguments for the termination of CAA's.

This "utilization test survey data for 591 CAA's," dated January 1973, documents the fact that between 1965 and 1972 these agencies, with a Federal expenditure of approximately $1.1 billion in local initiative funds, have utilized this seed money to mobilize $1.3 billion in resources from State and local governments and other Federal and private sources, in behalf of the poor. And the report states emphatically that administration policies of recent years have produced "closer working relationships between CAA's and State and local governments, which offer genuine help in making the decentralization of Government succeed during the next few years."

Perhaps the best summation of the impact of this report in spelling out the accomplishments of CAA's is provided in an editorial appearing in the February 13, 1973, issue of the Washington Post, entitled "The OEO: Dismantling Hope," and which concludes:

> Anyone who has the slightest familiarity with the program knows that one of its major benefits has been what it has done for people. It has uncovered—from the ranks of the poor themselves—several new layers of leadership in communities around the country. It has given people the opportunity to develop skills that help them participate in the management of their own communities and of their own lives. It has given thousands a new sense of their own dignity and worth and some stake in society.

In documenting its conclusion that "local CAA's specifically are a valuable in-place capability for mobilizing community efforts and resources," the survey further noted that resources mobilized from institutions, industry, and other governmental units by these 591 CAA's rose in value from $115 million in 1968 to $396 million in 1972. The report's finding was that this "substantiates that there is a large, local capability as well as local commitment to problems of the poor."

What is to happen to this capability and this commitment upon the termination of Federal assistance for CAA's? The Administration suggests that "in addition to private funds, State and local governments may, of course, use general and special revenue sharing funds for these purposes."

I find such advice to be foolish at best and dangerous in its distortion of reality. For one thing, State and local governments will be hard pressed to meet even current costs of public services with revenue sharing funds. For another, it is well known that frequently it has been only the direct Federal incentive of matching assistance for employment, education, health, and other services for the poor, coordinated through CAA's, that has prodded State and local governments to include this important area of human need in their budgets and in the allocation of revenue sharing funds. Therefore, the cancellation of Federal assistance for CAA's will result either in the termination of these services, leaving tens of thousands of people in despair and anxiety, or in the raising of additional revenues through State and local taxes to meet these needs out of economic and social necessity. In either case, the administration would fulfill its promise not to increase Federal income taxes by placing a heavy burden on the residents of local communities.

In conclusion, I want to state my total opposition to the administration's plan to terminate the present legal services program and to replace it eventually with some form of legal services corporation, as yet undefined, to be funded through the Department of Health, Education, and Welfare.

Again, I find this proposal to cancel a vital ongoing program to defend the legal rights of the poor, to be in direct violation of the law—noted earlier in an express provision of the Economic Opportunity Amendments of 1972 for the specific funding of this OEO program at a level of $71.5 million in fiscal 1974. News reports indicate that the administration has in mind a legal services corporation whose board membership and activities would be subject to current political considerations, rather than be independent to uphold the justice that is above politics, as was intended in the legislation passed by the Senate in the last Congress. Other news reports make even more serious predictions that instead of proposing a new agency at all, the administration will be content to use funds as partial payment to private legal aid societies, in the hope that this will foster a more conservative approach to legal defense for the poor as well as a local fragmentation to prevent any concerted efforts for reform in the system of justice.

All of this would be hard to believe were it not for the abrupt dismissal of Mr. Ted R. Tetzlaff, acting director of OEO's legal services program, on February 12, on top of an almost unnoticed action a few days earlier to terminate an American Bar Association-sponsored advisory committee designed to protect neighborhood legal service attorneys from being subjected to political pressures in handling their cases.

Such regressive policies must be resisted at once by Congress. To this end, I fully support legislation recently introduced by the Senator from Minnesota (Mr. MONDALE), entitled the National Legal Services Corporation Act, and designed to assure that legal representation for the poor will be independent and free of politics, while also being responsive to the communities it must serve. Pending congressional action on this vital measure, it is essential that the Senate proceed without delay to take such steps as may be required to assure that current OEO programs, including legal services, are maintained in a fully operational status.

The Nixon administration must come to understand that Congress means what it says when it passes a law, and that this Congress will not stand idly by while the Office of Economic Opportunity is dismantled, leading to defeat with dishonor in the war on poverty. It must learn now that economizing at the cost of destroying human hope has no place in the American system of values.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 3 minutes.

DAVID LAWRENCE

Mr. THURMOND. Mr. President, the death of David Lawrence on February 11, removed one of the staunchest voices for good government that this country has produced in the 20th century. He was one of the ablest and soundest writers in the United States. The policies he advocated, if followed consistently by governmental leaders, would have prevented many of our national problems through the years.

He reminded us constantly through his newspaper columns, his editorials in the U.S. News & World Report and through his personal counsel of the greatness of the American system. He also reminded us of the folly of excessive Federal spending and efforts that could lead to the dismantling of the free processes of our society. We are better for his having brought us the principles of progress through responsible conservatism.

Few people knew the political and governmental affairs of this Nation and its

Capital as well as David Lawrence. He had observed and studied the councils of Government in Washington since 1910, when William Howard Taft was President.

Not only was he an outstanding writer on world and national affairs, but he was also a leader in his community. He served with distinction some years ago on a commission that recommended the present form of government in Fairfax County, Va., and later received a civic award for his work in improving county government.

Mr. Lawrence was recognized many times for journalistic excellence, having received a variety of awards for his contributions to public service. He worked and moved among us for so many years that his views and advice were a part of the national debate on major issues. We shall miss his words of reason and responsibility.

Some years ago a Senate prayer group was organized which meets every Wednesday morning in the Vandenberg Room of the Capitol. Mr. Lawrence was the only non-Senate member of the group, which indicates the high esteem in which he was held by the Members of the Senate. The first part of these prayer meetings are for breakfast and social conversation. The remainder of the prayer meeting is for presentation by a member, followed by group discussion. Mr. Lawrence's presentations were always excellent and his response to the presentations of others were thought-provoking and profound.

Mr. Lawrence was a great man in his own right, but he was also married to a beautiful and intelligent lady from South Carolina, Ellanor Campbell Hayes Lawrence. She was born in Columbia, S.C., and grew up in Gaffney, S.C., and was a great inspiration to her husband throughout their life together of more than 50 years. Mr. Lawrence had been very close to his wife and was shocked by her death nearly 4 years ago, but he continued his noble fight for good government until his death.

I am sure my colleagues join me in extending deepest sympathy to all members of his family.

Mr. President, since the death of Mr. Lawrence there have been numerous articles and editorials paying tribute to his life of service. I ask unanimous consent that the following articles be printed in the RECORD: "Columnist David Lawrence, 84, Dies; Famed Conservative Writer," The Star and News, Washington, D.C., February 12; "Won Respect of Millions: Life Story of David Lawrence," U.S. News & World Report, Washington, D.C., February 26; "Oldest Columnist Dies," the Columbia Record, Columbia, S.C., February 13; "David Lawrence," the Evening Star and Daily News, Washington, D.C., February 13; "David Lawrence," Sarasota Herald-Tribune, Sarasota, Fla., February 13; "Lawrence: A Journalistic Giant," the St. Augustine Record, St. Augustine, Fla., February 13; "David Lawrence Left His Mark," the Sun-Journal, New Bern, N.C., February 13; "Tribute to David Lawrence," the Burlington Free Press, Burlington, Vt., February 13; "David Lawrence," Asbury Park Evening Press, Asbury Park., N.J., February 13; "Columnist David Lawrence," Schenectady Gazette, Schenectady, N.Y., February 13; "David Lawrence," the Greenville News, Greenville, S.C., February 14; "Death of a Newspaperman," the Daily Freeman, Kingston, N.Y., February 14; editorial from the Atlanta Journal, Atlanta, Ga., Febrary 14; "David Lawrence," the New York Times, New York, N.Y., February 14; "David Lawrence," the News and Courier, Charleston, S.C., February 15; "South Loses a Friend," the State, Columbia, S.C., February 16; "David Lawrence, 1888–1973," U.S. News & World Report, Washintgon, D.C., February 26; and "The Lawrence Memorial Service," U.S. News & World Report, Washington, D.C., February 26.

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

[From the Washington Post, Feb. 12, 1973]

COLUMNIST DAVID LAWRENCE, 84, DIES

(By Martin Weil)

David Lawrence, 84, the conservative spokesman who was dean of Washington's syndicated columnists as well as founder and editor of U.S. News and World Report magazine, died yesterday at his Sarasota, Fla., winter home.

Mr. Lawrence was found dead on the floor of his bedroom at about 12:20 p.m. by a maid. Death was believed due to a heart attack. He had suffered a mild one several years ago.

A tireless worker, who neither smoked nor drank and kept a news ticker and direct telephone line to his office in the Sarasota home, Mr. Lawrence was not believed to be in ill health at the time of his death.

His most recent column in The Evening Star, where it had run since 1918, appeared on Friday. It called for bipartisanship in foreign affairs, particularly when significant international negotiations are underway.

Starting his career in Washington journalism in 1910, Mr. Lawrence came to know 11 presidents, scored many celebrated scoops, and began in 1916 one of the first of the syndicated newspaper columns.

Appearing through the years in as many as 300 papers, it was reviled as reactionary, (by opponents, often liberal Democrats) and praised as perceptive (by supporters, often conservative Republicans).

It could also be unpredictable, as the reflection of the personal philosophy of the immigrant tailor's son who worked his way through Princeton, admired Woodrow Wilson and pronounced himself a "conservative liberal."

Crediting Wilson's "New Freedom" as a major influence on his thought, Mr. Lawrence was long a committed internationalist who supported both the League of Nations and the United Nations. Yet, isolationists also took comfort from some of his writings.

In the middle 1950s, he criticized the U.N. sharply for failing to denounce the Soviet Union and "expel its gangster government" for supplying munitions used against U.N. forces in the Korean conflict.

A critic of federal spending and an admirer of American industry, he seemed for years to reserve his sternest strictures for "so-called liberals" and others who he said were "blind to the Communist menace."

Known as a supporter of Sen. Joseph R. McCarthy in some respects, he condemned the Wisconsin Republican for what he viewed as an "indefensible" slander against Gen. George C. Marshall.

A defender of the U.S. involvement in Vietnam, he took a favorable view of the recent bombing of North Vietnam, and predicted it would lead to a cease-fire.

"I write as I see it," said Mr. Lawrence. "My purpose is clarification and exposition."

While he was often viewed as a conservative Republican by ideology, he was also for many years a Democrat, by registration, in Fairfax County, where he had a farm near Centreville.

On Dec. 23, 1970, he donated the 639.8 acre Middlegate Farm to the county for park use. Title to the property, assessed at $5 million, was to pass formally to the county on his death.

In addition to the donation of the farm, Mr. Lawrence's concern for Fairfax County was demonstrated by his leadership in the campaign that led to the adoption in 1950 of the county executive form of government.

It was a battle that saw him confront and defeat powerful political opposition that included the strongly entrenched Byrd Organization.

After the voters endorsed his plan, Mr. Lawrence headed a team that put the county executive plan of government into effect over a two-year period.

With the donation of the farm in 1970 Mr. Lawrence had divested himself of almost all of his major properties.

He sold the Bureau of National Affairs, a Washington-based news service he developed, to its employees in 1946. He did the same in 1962 with U.S. News and World Report.

Associates said both sales were at bargain prices.

In one newspaper account, Mr. Lawrence was described as a man who wanted to go out of the world the same way he came in—with very little.

He was born Dec. 25, 1888, the son of Harris and Dora Lawrence, in Philadelphia. Shortly after his birth, his father, a poor tailor who had immigrated from England, took the family to Buffalo, N.Y.

The seeds of Mr. Lawrence's career were planted there. In 1902, he discovered the Congressional Record in a library and found it fascinating. The next year, at 14, he began newspaper work as a reporter on the Buffalo Express.

Money earned on the Express helped him pay his way at Princeton, where he continued to work as a reporter, covering sports and other campus activities for several newspapers.

At Princeton, he scored his first big scoop.

While Mr. Lawrence was at college, former President and Mrs. Grover Cleveland were living in the town of Princeton. Mr. Lawrence introduced himself to Mrs. Cleveland.

On June 24, 1908, Cleveland died of a heart attack. Mr. Lawrence, then a campus correspondent for the Associated Press, had remained in Princeton after the semester ended. Mrs. Cleveland sent a message to him.

"Out of a clear sky the news came," he recalled.

Mr. Lawrence sent the news to the Associated Press. There was no other correspondent in Princeton at the time.

"I had a scoop . . ." he said.

AP liked it, and Mr. Lawrence's subsequent funeral coverage, well enough to hire him as vacation relief in their Philadelphia bureau.

During Mr. Lawrence's Princeton years, the college president was Woodrow Wilson. Mr. Lawrence gave thorough coverage to Wilson's fight for educational reform and the two men became friends.

When Mr. Lawrence graduated in 1910, he was assigned to AP's Washington bureau.

After Wilson was elected President in 1912, the two men continued their friendship, with Mr. Lawrence becoming known as one of the President's chief journalistic interpreters.

One of his most famous scoops was the resignation of William Jennings Bryan as Secretary of State in 1915.

Another AP man told Mr. Lawrence that a big story existed, but that he himself was pledged to secrecy and could say no more.

It was after the sinking of the Lusitania. Mr. Lawrence decided that the feud between Bryan and Wilson had reached the boiling point.

Walking into the office of Secretary of War Lindley Garrison, he said, "Too bad about Bryan, isn't it?"

"Yes, it is," Garrison replied, "I'm sorry to see him go."

"When do you think it will be?" Mr. Lawrence asked.

"Well," said Garison, "It's supposed to be tomorrow afternoon about 2 o'clock."

Mr. Lawrence continued to make casual conversation, finally got to a phone booth, gave his office the story and, as he recalled, "stayed in the booth for 20 minutes . . . afraid to come out because I might reveal some sort of excitement to my colleagues sitting around in the press room . . ."

In 1916, he left AP for the New York Evening Post, where he started his Washington column. He quit the New York Post in 1919 to set up his own Consolidated Press Association, which offered features and financial news to major newspapers.

In 1926, he organized The United States Daily, to be devoted solely to government activities. It was superseded in 1933 by The United States News, a weekly. In 1940, the newspaper format was changed to a magazine.

After founding World Report in 1946 to concentrate on world affairs, he merged his two magazines in 1947 into a combined U.S. News and World Report.

As one of radio's earliest political commentators he gave weekly 15-minute Sunday broadcasts on "Our Government" for four years, beginning in 1929.

An intense, private man who spurned vacations, he also wrote seven books, including "The Story of Woodrow Wilson" (1924) and "Stumbling into Socialism" (1935).

In 1970, Mr. Lawrence was one of eight veteran journalists to receive Medals of Freedom from President Nixon.

He and Ellanor Campbell Hayes were married in 1918. She died in 1969. Survivors include three children, David Jr., of Washington, Mark, of New York, and Mrs. H. C. Sturhahn, of Princeton.

[From the Washington Evening Star-News, Feb. 12, 1973]

DAVID LAWRENCE, 84, DIES; FAMED CONSERVATIVE WRITER

(By Richard Slusser)

David Lawrence, 84, a general in the forces of conservatism, who sounded his battle cries for a half century through his nationally syndicated columns, died yesterday at his winter home in Sarasota, Fla. He was the founder and longtime editor of U.S. News & World Report magazine.

He was found dead on a bedroom floor by a maid shortly after noon yesterday. The cause of death is believed to have been a heart attack.

Mr. Lawrence's column, which has appeared in The Star for more than 50 years, at one time was carried in more than 300 newspapers. He reached millions of additional readers through his weekly editorial in U.S. News & World Report, which he founded in the 1940s.

"WRITER" AT 14

His long career as a newsman stretches back to Buffalo, N.Y., where he grew up. Mr. Lawrence at 14 submitted photographs of champions of various sports living in Buffalo to the Express.

The Express had one of the first rotogravure (illustrated) sections in the country in a Sunday paper, Mr. Lawrence said. "And they let me write about two inches of reading matter with it. I never looked at those pictures afterwards—I kept looking at the reading matter."

Later, while still a teenager, he was a sports reporter for several years at the paper.

He was born on Christmas Day in Philadelphia, the first American citizen born into a family of English parents and children. His father, a tailor, had a shop above their home several blocks from Independence Hall. The family moved to Buffalo in 1892.

When Mr. Lawrence entered Princeton University, Grover Cleveland was the chairman of a committee on the board of trustees, and Woodrow Wilson was the president of the university. While there he was a correspondent for the Associated Press, and, by the time he was graduated in 1910, he was writing for 17 newspapers. He also had a job in a restaurant printing menu cards.

SCOOP IN 1908

In 1908, Mrs. Cleveland, who knew Mr. Lawrence, sent him word that President Cleveland had died at his home in Princeton, enabling him to scoop the story. He also covered the funeral for the Associated Press.

The next year, while working for AP as a summer vacation relief man in the Philadelphia office, he discovered that Dr. Frederick A. Cook, who claimed to have reached the North Pole before Adm. Robert E. Peary got there in 1909, actually had not reached the Pole at all.

Moving to Washington in October, 1910, with AP, Mr. Lawrence called on Gould Lincoln, now a political columnist for The Star, then a reporter for the Washington Post. Lincoln took him to the old Press Club and gave him his introduction to some of the club's celebrities.

In those days the Press Club, then at 15th and F Streets, NW, was small and had "a fraternity about it," Mr. Lawrence said. Unmarried, he spend a great deal of time at the club.

In 1911, Mr. Lawrence was sent to Mexico to cover the Madero revolution, and again the next year to report on the Orozco revolution.

COVERED TAFT

During the presidency of William Howard Taft, Mr. Lawrence covered the President's activities at night. The President, not receiving many of the demands made on today's chief executives, spoke to practically every convention that came to town, Mr. Lawrence once recalled.

The late Adolph Ochs of the New York Times once had told Mr. Lawrence that he should charge $75 a year instead of the $5 he was charging subscribers to the U.S. Daily because of the service it provided.

In remarks delivered almost five years ago at the National Press Club, Mr. Lawrence said that it was not until he was 60 years old when he could say his financial troubles were over.

"It was a long, long hard fight," he said.

A resident of Centreville, Va., for many years, Mr. Lawrence was a leader in the reform movement of Fairfax County government about 20 years ago. In 1952 he received The Evening Star Trophy for outstanding civic service to the county for his work in the campaign to adopt the county executive form of government. He was vice chairman of a study commission which recommended the change.

Among his other honors was the 1964 journalistic Achievement Award of the American Legion, and a citation from the National Society of Southern Dames "for devotion to Americanism and constitutional government," awarded the same year.

His Americanism and anti-Communist writings also were cited by the Freedoms Foundation in 1956, the American Jewish League Against Communism in 1965, and by the American Ideals Committee of the Washington Board of Trade in 1953, as well as by countless other civic and business organizations.

Mr. Lawrence was awarded the Chancellor's Medal of the University of Buffalo in 1939, and was elected a trustee of American University in 1932.

President Nixon conferred the Medal of Freedom, the nation's highest civilian award, upon Mr. Lawrence in 1970.

Soon after that Benjamin McKelway, his longtime friend and former editor of The Star, said in a speech:

"No matter in which direction the tide may choose to flow, Dave is more inclined to buck it than float with it.

"This trait is—or at least it ought to be—a distinguished characteristic of sound and useful journalism, expressed by readiness to say, 'I doubt it' when everybody else is saying, 'It's a sure thing.'"

HALL OF FAMER

Two years ago Mr. Lawrence was named to the hall of fame set up by the Washington chapter of the journalism fraternity Sigma Delta Chi. He was one of 12 veteran correspondents who received the honor that year.

He was the last surviving charter member of the White House Correspondents Association. He said that one of the main purposes of the association's founding was to arrange press conferences with Wilson.

He was the author of "The True Story of Woodrow Wilson," published in 1924; "The Other Side of Government," 1929; "Beyond the New Deal," 1934; and "Stumbling Into Socialism," 1935. Other books included the 1942 "Dairy of a Washington Correspondent."

Mr. Lawrence belonged to the National Press Club, the Metropolitan Club, Cosmos Club, and the Princeton Club. He was a fellow of Sigma Delta Chi.

His wife, the former Ellanor Campbell Hayes, to whom he was married in 1918, died in 1969. Through her will their home, Middlegate, a 640-acre tract north of Interstate Route 66 near Centreville was donated to Fairfax County as a park. The land was valued at almost $5 million.

Mr. Lawrence leaves two sons, Mark, who lives in New York, and David Jr. of Washington, and a daughter, Mrs. H. C. Sturhahn of Princeton, N.J.

[From the U.S. News & World Report, Feb. 26, 1973]

DAVID LAWRENCE 1888–1973—"WON RESPECT OF MILLIONS": LIFE STORY OF DAVID LAWRENCE

"He has won and held the respect of millions for his perception, his judgment, his fairness, and his devotion to the principles on which America was founded."—From the citation for the Medal of Freedom, conferred on David Lawrence by President Nixon on April 22, 1970.

The man who received this tribute rose from humble beginnings to a unique place in American journalism, on which he left a deep imprint.

David Lawrence once wrote that in a troubled world there is a great need for "enlightening public opinion, steadily and persistently."

Mr. Lawrence, the founder and editor of "U.S. News & World Report," was faithful to that credo throughout a lifetime rich in achievement.

For longer than 60 years, as a reporter, a syndicated columnist whose daily dispatches appeared in more than 300 newspapers, and as an editor and publisher who built and guided "U.S. News & World Report," he was a clear and vigorous interpreter of the news.

Until almost the very moment of his sudden death from a heart attack on February 11 at his winter home in Sarasota, Fla., Mr. Lawrence remained "steady and persistent" in his mission of public enlightenment.

Mr. Lawrence not only wrote about but knew 11 Presidents, from William Howard Taft to Richard M. Nixon. He had close relationships with many of these Chief Executives, particularly with Woodrow Wilson and

Mr. Nixon, whom he had known since the future President came to Washington as a Representative in 1946. He was friend and adviser to statesmen who led America over a span including two world wars, a great depression, and the U.S. rise to world power.

No facet of government escaped Mr. Lawrence's scrutiny. It was said of him that he "personified" journalism. And it was said, too, on an occasion when he was honored by fellow newsmen:

"He has devoted his life to journalism—not merely as a means of livelihood but as a cause in which he passionately believes."

LEGENDARY CAREER

Mr. Lawrence's achievements in his profession were legendary and included notable "news beats."

But he was also a trail blazer in the application of new techniques for rapid distribution of the printed word, a pioneer in radio reporting and commenting, and, as a publisher, an innovator and dynamic force.

Mr. Lawrence was a man of quietly devout religious belief. As an employer, he inspired this comment from a man who had observed him for many years—Benjamin McKelway, former editor of "The Washington Evening Star":

"He is far ahead of his time in his attitudes and actions toward those who work for him—and whose loyalty he has won to an exceptional degree."

"I never heard anyone who worked for him speak of him except in genuine respect, admiration of his ability, and often in personal gratitude."

Mr. Lawrence was born in Philadelphia on Christmas Day, 1888, the son of Harris and Dora Lawrence. His father was a tailor who had emigrated to the United States from England. Mr. Lawrence's birthplace, as he frequently noted, was just three blocks from Independence Hall.

During David Lawrence's infancy, the family moved to Buffalo, N.Y. It was there, at the age of 14, that he became aware of the Government's workings—which he found fascinating—and experienced the lure of journalism.

In 1902, preparing for a school debate, he discovered the "Congressional Record." The speeches on national issues sparked a profound interest in public affairs which influenced the rest of his life.

AN EARLY START

In the same year, he got into the newspaper business—establishing, as a schoolboy, a connection with "The Buffalo Express." Soon after enrolling as a freshman at Princeton University in 1906, he became the Princeton correspondent for several newspapers in New York and Philadelphia, and eventually for the Associated Press. This financed his education. As he later related:

"I had exactly $25 in my pocket and a pass on the railroad given me by my newspaper when I left Buffalo."

At Princeton, Mr. Lawrence came to know and admire Woodrow Wilson, president of the university, who was to be elected President of the United States in the campaign of 1912. While a student, he also became acquainted with former President Grover Cleveland and Mrs. Cleveland, who were Princeton residents. Out of this acquaintanceship came Mr. Lawrence's first "scoop"—a flash on the death of the ex-President.

It was during the summer vacation in the year after the "panic of 1907" and Mr. Lawrence—because there were no summer jobs in Buffalo—had stayed on in Princeton, earning funds by printing menu cards for a restaurant.

More than half a century later, he reminisced about what had happened:

"Out of a clear sky the news came. Mrs. Cleveland sent me word that President Cleveland had died and I had a scoop for the Associated Press. There wasn't any correspondent then in Princeton except myself. And as a result of that scoop and the work I did for the AP during the funeral, I was given a job as vacation relief in the Philadelphia office of the AP."

Again working for the AP in Philadelphia the following summer, Mr. Lawrence, acting on a tip from a scientist he had interviewed, researched and wrote a story exposing as a fake the claim of Dr. Frederick Cook that he had gone to the North Pole.

After his graduation from Princeton in 1910, Mr. Lawrence returned to the AP office in Philadelphia, impressed his bosses and quickly won assignment to the Washington staff of the news service.

COVERING A REVOLUTION

At the university, the one course he flunked was Spanish. This caused him to concentrate on learning the language. That brought a break. When the Mexican revolution hit, he was the only AP staffman who knew Spanish, so he was sent to Juárez to cover the fighting. His energy and ingenuity in getting the news out ahead of his competitors brought a gold watch from the AP for "exceptionally valuable services."

Back from the Mexican border, the young correspondent continued to enhance his reputation as a stellar newsman. One of his memorable "scoops" was achieved by him on the resignation of William Jennings Bryan as Secretary of State in 1915.

Having heard that a big story was about to break, but given no inkling of its nature, Mr. Lawrence used his reporter's instinct and his special knowledge of the inner workings of government. He sensed that the story might involve Mr. Bryan, who was at odds with President Wilson on how the United States should react to the torpedoing of the British liner *Lusitania* by a German U-boat.

In later years, Mr. Lawrence described the way he acted on his deduction:

"I went to the office of my friend, the Secretary of War, Lindley Garrison. When I walked in and sat down with him, I said: 'Too bad about Bryan, isn't it?' He said: 'Yes, it is, I'm sorry to see him go.' and I said: 'When do you think it will be?' He said: 'Well, it's supposed to be tomorrow afternoon about 2 o'clock.' "

Moments later, Mr. Lawrence sought to make a further check with another Government official, who warned him against printing the story.

So, he said: "I decided to go over to the White House and see what I could do there."

He tracked down his close friend, Joseph Tumulty, President Wilson's secretary, who was playing tennis. Mr. Tumulty confirmed the upcoming resignation and Mr. Lawrence lost no time in flashing the news to the world.

With his by-line already nationally known, Mr. Lawrence left the AP in 1916 to become Washington correspondent of the old "New York Evening Post," and began writing the first Washington dispatch to be syndicated all over the country by wire—a daily column he was to continue to write for nearly 57 years. His typewriter was stilled only by death.

He was almost alone among Washington political observers in predicting Mr. Wilson's re-election in 1916 over the Republican candidate, Charles Evans Hughes. The Wilson victory won Mr. Lawrence acclaim as a political prognosticator.

Having enjoyed a close association with Mr. Wilson since Princeton days, Mr. Lawrence was in good position to report in depth as a newsman accompanying the President to the Paris peace negotiations after World War I. He journeyed with Mr. Wilson to London and Rome, also.

ON HIS OWN

It was in 1919 that David Lawrence decided to launch a venture of his own. He left "The Post" and established the Consolidated Press Association, which furnished a feature and financial-news service to large daily newspapers. The financial service, which was carried by leased wire to leading dailies from coast to coast, delivered market quotations and important business news at a speed never available before.

In 1926, Mr. Lawrence pioneered a new kind of newspaper. This was "The United States Daily"—devoted solely to reporting the activities of Government.

Along with publishing "The Daily," he became one of the first political commentators to broadcast regularly on radio. From 1929 to 1933, he was on the airwaves each Sunday night with a program called "Our Government," in which—as he did in print—he explained the operations of the Government in Washington and their significance to the people of America.

In 1933, the nation was reeling under the impact of the Great Depression. Mr. Lawrence turned over the Consolidated Press Association to another organization and—with money harder and harder to come by—superseded "The Daily" with a weekly publication, in newspaper format, called "The United States News." This paper covered not only government activities but general news of national affairs as well as was broadened to include analysis and a signed editorial by David Lawrence.

At the same time the sections of "The Daily" that provided details of Government decisions, regulations and other information useful to businessmen were transformed into services put out by a new entity called "The Bureau of National Affairs." Demand for its reports grew as federal agencies multiplied under the New Deal.

In a move related to his spirit of generosity toward associates, Mr. Lawrence, in 1946, sold the successful "BNA" enterprise to its employes, who formed their own company, Bureau of National Affairs, Inc., which continues to operate as a flourishing, employee-owned firm. Another Lawrence-owned enterprise he transferred to associates and employes is the McArdle Printing Company of Silver Spring, Md.

A MAGAZINE IS BORN

The newspaper format of "The United States News" was changed to a magazine on Jan. 1, 1940. Coverage of national news was expanded and intensified during the World War II years.

In 1946, recognizing the vast scope of the global role of the United States, Mr. Lawrence founded "World Report" magazine, which reported on international affairs with the illuminative analysis characteristic of the approach to domestic issues taken by "The United States News." Soon, Mr. Lawrence became convinced that no fine line should be drawn between national and international news, and in 1948 the two magazines were merged into a single newsweekly, "U.S. News & World Report," which has grown to a circulation of 1,940,000.

The publication is characterized by such components as detailed, informative interviews with national and world leaders, five newsletters, and in-depth articles—the work of a worldwide staff. Often breaking new ground and casting new light on weighty issues, the magazine has consistently reflected the founder's concept of how to go about "enlightening public opinion."

In keeping with Mr. Lawrence's belief that he should share what he had built, he arranged in 1962 for "U.S. News & World Report" to become an employee-owned publication. He remained as editor.

FAMILY LIFE

Mr. Lawrence's wife, Ellanor Campbell Hayes Lawrence, a native of Columbia, S.C., died on June 13, 1969. They were married on July 17, 1918. Of their four children, three survive—two sons, David, Jr., of Washington, and Mark, of New York, and a daughter, Mrs.

H. C. Sturhahn, of Princeton. A sister, Mrs. Edythe L. Scheiner, of Atlantic City, N.J., also survives him.

In 1971, Mr. Lawrence gave to the people of Fairfax County, Virginia, his Middlegate Farm, a rolling expanse of land near Centreville. The 639.8-acre property—almost a square mile—is to be known as the Ellanor Campbell Hayes Lawrence Park.

On February 14, private funeral services were held for Mr. Lawrence in Princeton, the resting place of his wife.

On the same day, a memorial service was held in the Sanctuary of the Washington Hebrew Congregation.

Hundreds—including many of the capital's notables—gathered there to do honor to the memory of David Lawrence, an immigrant tailor's son who received the nation's highest civilian award, the Medal of Freedom, and who was a giant of journalism for much of the twentieth century.

[From the Columbia (S.C.) Record, Feb. 13, 1973]

OLDEST COLUMNIST DIES

The Columbia Record's oldest writer, both in age and length of service, was David Lawrence, whose columns appeared often on the editorial page. He was found dead Sunday on the floor of a bedroom at his winter home in Sarasota, Fla., the apparent victim of a heart attack.

He started writing for newspapers in 1910 and had been a contributor to The Columbia Record for decades.

Born the son of English immigrant parents in Philadelphia on Christmas Day, 1888, he was graduated from Princeton University and went to Washington as a reporter for the Associated Press 63 years ago.

After being Washington correspondent for the New York Evening Post three years, he established his own financial and feature news service. This was the first of his publishing ventures that eventually led to his founding of the U.S. News and World Report in 1948. The popular news magazine now has sales of nearly two million copies a week. He was its editor until his death.

Lawrence was a pioneer in syndicated political writing. His column was the first to be distributed by wire and was being run in more than 200 newspapers. His conservative opinions, based on Washington reporting experience under 11 Presidential administrations, will be missed by the thousands of South Carolina readers who followed his writing regularly.

[From the Washington Evening Star-News, Feb. 13, 1973]

DAVID LAWRENCE

David Lawrence, who died Sunday at 84, kept busy to the end. No one at The Star-News, and probably none of his readers, was surprised that his usual Monday column was already in the office. But he did surprise us, for all that. The obituary in our early editions yesterday directed readers to Mr. Lawrence's "last column" on that day's opposite-editorial page. And then, on the wire, right on time as usual, came what indeed is his last column, written a few hours before he died. It appears in its usual spot today—lucid, crisp, informative, the product of a wise and gentle mind which never stopped asking the right questions.

This unflagging attention to duty was in all ways typical of Mr. Lawrence. He was a man of large affairs, the publisher of a major news magazine of wide circulation and influence. But, after his family, the column was always Mr. Lawrence's first love. For 50 years it appeared in this newspaper—something like 13,000 times. He wrote every word himself. And invariably, if our first edition contained a typographical error, we knew that if Mr. Lawrence was in town he would be on the phone before the ink was dry, gently making sure that the offense had been noted by someone, and that everything would be put right in time for the next edition of the paper.

He was the newsman in the classic mold. His opinions were firm, but they never overrode the reporter's instinct to get to the bottom of the story. He had the tenacity of the proverbial bulldog in his search for the facts, but withal he was the most forgiving and kindest of men. One of the best things that can be said about the profession of journalism is that, very occasionally, it produces a David Lawrence.

[From the Sarasota (Fla.) Herald-Tribune, Feb. 13, 1973]

DAVID LAWRENCE

The last column by David Lawrence appears on this page today.

Written before his death here Sunday, it was hand delivered punctually Monday morning as had been the custom for years when Mr. Lawrence was in town.

Mr. Lawrence was the dean of American political columnists and the founder of U.S. News & World Report. President Nixon has called him one of the "giants" of journalism. His career spans most of this century. Even before World War I he was one of the best reporters in Washington, and it was the coverage and analysis of significant events in the nation's capital that remained the focal point of his life and his work until the day of his death.

He had for many years maintained a winter home in Sarasota and he had of late taken to spending more and more time here, away from the rigors of Washington weather but as close as his telephone to his news sources in the capital.

The achievements of David Lawrence the journalist are lengendary. They will be long remembered. We hope that history will also record his personal and fitting brand of generosity. More than ten years ago he arranged for employee-ownership of U.S. News, a prosperous magazine with a circulation of nearly two million. In 1971 he gave to the people of Fairfax County, Virginia, his "farm," a square mile of very valuable land in the burgeoning Washington suburbs.

The Washington Post said at the time, "David Lawrence should be a wealthy man. He isn't. He has given most of it away."

Most of all, he gave to his millions of readers facts, information, interpretation and analysis, designed to help them better understand the great events shaping their world and their lives.

That is his greatest legacy.

[From the St. Augustine (Fla.) Record, Feb. 13, 1973]

LAWRENCE: A JOURNALISTIC GIANT

Employes and reporters of the St. Augustine Record have special reason to mourn the death of David Lawrence, one of America's leading journalists.

His columns "Today In National Affairs" graced our editorial page columns for several years. His stature among journalist earned him the nickname of "Mr. Conservative," a description he justly earned with his literate thoughtful columns on American and national politics. His syndicated writings bore the stamp of an intelligent, compassionate man who called for steadfast allegiance to traditional American values: individualism, self discipline, free enterprise, decency.

His labors on behalf of American journalism did much to advance the cause of conservatism in this country. He leaves a solid legacy of enlighted conservatism as reflected in his writing, his radio broadcasts in the U.S. News and World Report which he co-founded. His shining journalist career began as a boy of 14 and spanned seven decades and included 11 presidential administrations.

A spokesman for America is dead. We mourn his passing.

[From the Sun-Journal, N.C., Feb. 13, 1973]

DAVID LAWRENCE LEFT HIS MARK

Death has claimed another well known journalist.

David Lawrence, columnist, writer, editor and publisher died Sunday in Florida.

Mr. Lawrence, whose column was printed in the Sun-Journal, rose to the peak of his profession by hard work and the ability to put into words his ideas and thoughts.

A conservative by conviction, he always promoted the basic principals of Americanism and good journalism.

Although he will no longer write his column, when the present supply is depleted, his work will remain as a hallmark to those who live and work in the Fourth Estate.

[From the Burlington (Vt.) Free Press, Feb. 13, 1973]

TRIBUTE TO DAVID LAWRENCE

Today we mourn the passing of David Lawrence, one of the few truly great men of American journalism. His stature in our profession was enormous, and today there is no one who comes close to matching it.

The founder and editor of the magazine U.S. News & World Report, Mr. Lawrence was better known through the years as the pioneer syndicated columnist who authored five columns a week without the benefit of ghost writers. The Burlington Free Press has been carrying his columns for more than half a century, since 1919. His final column appears on this page today.

A few years ago, in an interview in Washington, Mr. Lawrence reminded us that he and Arthur Krock were the only two surviving correspondents who covered the first Presidential press conference ever held, by Woodrow Wilson in 1913. He personally knew 11 Presidents and was honored by them all, finally a couple of years ago receiving the highest civilian award this nation can bestow, the Medal of Freedom.

David Lawrence was more than a giant of American journalism. He was a leader of iron integrity, he cannot be replaced, and all of us who value truth and decency will miss him greatly.

[From the Asbury Park (N.J.) Evening Press, Feb. 13, 1973]

DAVID LAWRENCE

The death of David Lawrence deprives the nation of an astute observer and sound counselor. His newspaper column, which has appeared on this page for many years, was labelled "conservative" by extremists but it was consistently constructive. Mr. Lawrence rejected "change for change's sake" and recommended retaining policies of demonstrated value until more promising programs were developed. In today's vague connotation he was neither a conservative nor a liberal but an advocate of planned progress.

As a summer resident of Spring Lake in recent years Mr. Lawrence was well acquainted with this area. In fact, his fame as an enterprising reporter and analyst began in Asbury Park. President Woodrow Wilson, whose summer home was at Shadow Lawn, now Monmouth College, established his office for the 1916 campaign in the First Merchants National Bank Building on Press Plaza in Asbury Park. On the night of the election, and for several hours into the next day, most observers proclaimed Charles Evans Hughes, Mr. Wilson's opponent, the victor. But after a coast-to-coast canvass Mr. Lawrence had concluded that despite predictions to the contrary California would deliver its 13 electoral votes to Mr. Wilson. Long after Mr. Hughes had been hailed as

the next president it did so, giving Mr. Wilson his second term and establishing Mr. Lawrence as a superb political analyst.

In 1967 Mr. Lawrence participated in the dedication of a plaque on the front of the First Merchants National Bank commemorating President Wilson's use of the building as his executive office. And also in 1967 Mr. Lawrence addressed The Press Government Institute for high school students at Monmouth College.

As a reporter and later in his newspaper column and as editor of the United States News and World Report Mr. Lawrence shared his experience and his profound understanding of public affairs with millions of readers. They will be poorer for the want of his guidance in their approach to the problems that confront them.

[From the Schenectady (N.Y.) Gazette, Feb. 13, 1973]

COLUMNIST DAVID LAWRENCE

For more than 60 years columnist David Lawrence reported from Washington on government affairs and national and international problems, and for many years his column has been carried in the Gazette. At one time his column appeared in approximately 300 newspapers from coast to coast.

Mr. Lawrence, who died at his home in Sarasota, Fla. Sunday at the age of 84, could recall probably more big news events in Washington than any other prominent newsman alive today. He observed the administrations of 11 Presidents, starting with William Howard Taft. The views he expressed were consistently conservative, and he personally voted for every Republican presidential candidate since Herbert Hoover in 1932. Yet the President whom he seemed to admire most and mentioned most often was Woodrow Wilson.

Mr. Lawrence of course was not very popular with today's liberals, but his supporters were fiercely loyal. He will be missed by the many who followed his column for decades and who would heartily agree with the statement he made at the National Press Club in 1963:

"There are lessons to be learned from the past. But there is one doctrine that has emerged intermittently which I have never been able to accept. It is the doctrine that change is good for change's sake."

[From the Greenville (S.C.) News, Feb. 14, 1973]

DAVID LAWRENCE

David Lawrence was one of the giants of American journalism. His death at the age of 84 closes the career of a man who spent 60 years reporting and interpreting the Washington scene for millions of Americans.

He covered 11 presidential administrations and was on intimate—and trusted—terms with most of the Presidents and other top officials. He knew, perhaps better than any other correspondent, what was going on in the nation's capital. And he wrote about it with perception, accuracy and honesty.

Mr. Lawrence saw the need for a weekly news magazine that would report in depth on important national and international events. The result was U.S. News & World Report with its exclusive and informative interviews with key people in government and industry. He served as editor and continued to write his weekly editorial for the successful magazine until his death.

Readers of his syndicated column, which at one time appeared in 300 newspapers, found a simple and easy-to-read style which got to the point. He was sometimes termed a conservative, but, in truth, his political philosophy could not be labeled. His views were often progressive and ahead of his time.

Mr. Lawrence predicted early in the Vietnam conflict that the war would not be won or lost, but would simply fade away. This, in a very real sense, is just what has happened.

One of his favorite themes was the importance of people-to-people communication. He was convinced that world peace would not be achieved by governments, but by people getting to know and understand one another. He was a strong advocate of communications satellites and similar technological advances as the means toward reaching this end.

David Lawrence's knowledge of governmental affairs will be missed, as will his genuine concern for the plight of humanity. His passing leaves a void on The Greenville News editorial page, where he regularly appeared for more years than we can count and in the world of journalism generally that will be difficult to fill.

The country has lost a pioneer journalist whose dedication to his job made him a rare individual in a demanding profession.

[From the Daily Freeman, N.Y., Feb. 14, 1973]

DEATH OF A NEWSPAPERMAN

With the death of David Lawrence on February 11, the dispatch he wrote two days before for publication on Monday, February 12, was the last of around 15,000 he has written through the years, going back to 1916. His career as a Washington correspondent began in 1910 when he became a member of the Washington staff of The Associated Press. When he joined the old New York Evening Post Washington Bureau, his articles were the first to be syndicated nationally by wire. Until 1946, he wrote his regular dispatches six times a week, and then reduced the weekly total to five. During this entire period, he took one vacation of about two weeks. Otherwise, there has been no break in his regular production of commentaries—not even in 1968 when he was in the intensive heart-care unit in a Washington hospital for several days.

As editors of the papers which have carried his dispatch—many of them for years—know, he never took a stand because it was popular and often battled for what he called "lost causes." Ben McKelway, friend and longtime editor of the Washington Star, put it in these words at the ceremony at which David Lawrence was made a fellow of Sigma Delta Chi:

"Whatever he writes is a reflection of some deeply held conviction that he feels under real obligation to express. He has devoted his life to journalism—not merely as a means of livelihood, but as a cause in which he passionately believes."

That cause was freedom of the press and informing the public.

[From the Atlanta (Ga.) Journal, Feb. 14, 1973]

DAVID LAWRENCE

David Lawrence was the dean of the Washington Press corps. When he died he was old in years of service and his career was a succession of accomplishments.

He was the first Washington correspondent to send out a syndicated column over the wires. He was one of the first political commentators to regularly go on the air. He was founder of the United States Daily which became the United States News, and another magazine, the World Report. He merged these two journals. His conservative opinions as expressed in those editorial pages and through his syndicated columns were important in forming the political temper of this land today.

David Lawrence's column was carried at one time or another by a number of Georgia dailies including this. He was a friend of the Georgia press in other ways, appearing on the first program of the Georgia Press Institute in 1928 in order to help get the young institute established. The world of journalism joins his reading public in regretting his passing.

[From the New York Times, Feb. 14, 1973]

DAVID LAWRENCE

Throughout a career that spanned more than sixty years and ended only with his death, David Lawrence was one of the nation's most highly respected and warmly regarded newspapermen, and it is as such that he would want to be remembered.

An enterprising and energetic reporter when young, he became a world-famous commentator and influential magazine editor, but his zest for the day's news never dimmed. He hated to take a vacation; at home as well as at the office he was never far from the friendly clackety-clack of a teletype machine.

As some young liberals do, David Lawrence grew deeply conservative with the passing years. But readers of every viewpoint found that though they might disagree with him, they could always respect him for his intellectual seriousness, lucid prose, vigorous advocacy and total honesty.

Within his own profession, Mr. Lawrence was warmly regarded for many publicized acts of kindness and for his deep personal consideration for his colleagues. It was characteristic of him that he sold U.S. News & World Report, his magazine, and Bureau of National Affairs, his specialized news service, to his employes. As a publisher, he had a businessman's acumen but it is as a fellow craftsman that he will be recalled with honor and affection by his colleagues in the profession he loved so well and served so long.

[From the Charleston (S.C.) News and Courier, Feb. 15, 1973]

DAVID LAWRENCE

A sage among American journalists, David Lawrence for more than half a century brought reliable news to millions of his readers and honor to his profession. Through his syndicated column and in U.S. News & World Report, the weekly news magazine he founded and edited, Mr. Lawrence supplied sound and reasonable views of the world during a period when public confidence in the mass media began to slide. His skill, courage and integrity were beyond reproach even by those who deplored his conservatism.

Mr. Lawrence observed and reported politics and government from Washington for most of his long career. His counsel was respected in the highest places. We revered him as a friend and occasional adviser. His death at age 84, while still active in his profession, closes a fruitful career, and is an occasion of sorrow among admirers all over this country and abroad.

[From the State (S.C.) Columbia, Feb. 16, 1973]

SOUTH LOSES A FRIEND

The death Sunday of columnist David Lawrence diminished American journalism not only by stilling a staunch voice for conservatism but in ending the career of a newsman who came up through the ranks to a position of prime eminence.

Mr. Lawrence was well known in South Carolina, where many readers concurred with his political philosophy and followed his writings in *The Columbia Record* and other publications, including his own magazine, *U.S. News and World Report*.

But he has close personal links with the Palmetto State as well, for his late wife was the former Miss Ellanor Campbell Hayes of Spartanburg. They visited Spartanburg quietly from time to time before her death in 1969. And Mr. Lawrence occasionally visited his good friend and contemporary, the late James F. Byrnes, in Columbia.

He will be remembered best by many South Carolinians for his factual coverage and per-

ceptive commentary regarding Southern race relations during the tensions of the mid-1950s. His contribution to national understanding during that period was acknowledged in the dedication of W. D. Workman's book, *The Case For the South:*

"To David Lawrence, who befriended the South by telling the truth to the Nation."

[From the U.S. News & World Report, Feb. 26 1973]

DAVID LAWRENCE 1888–1973

From the President of the United States—

For more than half a century, David Lawrence wrote with clarity and conviction about the public issues of our times. At his death he was not only a dean of his profession but also one of our most distinguished patriots.

Along with millions of other Americans, I shall miss him deeply.

RICHARD M. NIXON,
President of the United States.

A MESSAGE FROM THE PUBLISHER

For 47 years, in this and predecessor publications, the top line of the masthead in each issue has read "David Lawrence, Editor."

Now that top line changes. Hereafter, it will read, as at left, "Founder: David Lawrence 1888–1973."

On February 11, David Lawrence died suddenly at his winter home in Sarasota, Fla.

As anyone who knew him would have expected, he was active to the end, at age 84 still absorbed in the news and in the affairs of the magazine he founded. Ten minutes before his death, he had been on the telephone in a spirited conversation about the future of "U.S. News & World Report."

We who were close to him can take comfort in the thought that he died as he would have wanted to die—vigorous, active, on the job right up to almost the moment of his death.

No one of us or group of us can replace David Lawrence. But we can look to the future with assurance, because for years before his death he was engaged in a series of measures to ease the transition and make sure that his successors would be able to carry on without him.

In 1962, under a plan worked out by Mr. Lawrence, "U.S. News & World Report" became entirely employe-owned.

Every employe who has been with the magazine as long as five years and has reached age 30 is entitled to own stock in his or her own name. The stock is distributed as a bonus on the individual's anniversary with the company each fifth year.

In addition, part of the employes' profit-sharing fund is invested in this company's stock, which means indirect ownership by employes and an added share in the growth of the magazine. Mr. Lawrence, under the ownership plan, singled himself out as the only long-term employe not eligible to own stock in the company.

At the same time he was transferring ownership from the Lawrence family to individual employes, he also was transferring authority to younger members of the staff who could be expected to survive him.

For years, thus, he planned for death with the same discernment that he has planned for life.

At his death, the board of directors elected me to take over his duties as chairman of the board.

The executive editor, Howard Flieger, became editor. Marvin L. Stone, senior associate executive editor, moved up to executive editor. John H. Adams, managing editor, was elected a member of the board.

These and other key executives are individuals whom David Lawrence selected for positions of responsibility. All of them believe in "U.S. News & World Report" and will continue it on the concepts it has always followed, improving it where possible but not altering the basic character or publishing purpose of the magazine.

Thus, we will follow the paths he laid out for us, remembering him not only with the highest professional respect but also with great personal affection and gratitude.

As "The Washington Evening Star-News" said in an editorial after his death, "One of the best things that can be said about the profession of journalism is that, very occasionally, it produces a David Lawrence."

JOHN H. SWEET,
Publisher.

[From U.S. News & World Report, Feb. 26, 1973]

THE LAWRENCE MEMORIAL SERVICE

(By Rabbi Joshua O. Haberman, Washington Hebrew Congregation)

In this very hour, the remains of David Lawrence are being laid to rest by his immediate family in Princeton at the graveside of his beloved Ellanor, with whom he shared more than 50 years of a harmonious and happy marriage.

It was his wish that upon his death those who cared, those who were his friends and colleagues, gather together for a last farewell here in Washington, the city he loved so dearly. A congregation of many faiths, we are all united in sorrow over the loss of a great man. Far greater than any tribute we can pay him from this pulpit is the unexpressed eulogy of gratitude in the hearts of countless people who were enlightened, goaded and guided by his words, by his deeds, by the example of his personal life. We may apply to him the prophetic tribute:

"The law of truth was in his mouth." (Mal. 2:6)

He conformed to the ideal of the sages of Judaism who taught that the inner man should be identical with his outward appearance.

He was a man of truth in the candor of his opinions. His words had the solidity of conviction, of moral earnestness rooted in genuine beliefs.

He was a man of truth in fidelity to principle. The son of a poor Jewish immigrant tailor, he got the finest possible education and rose to the top of his profession; he clung to the values in which he was reared, the values which made possible his own career. He deeply believed in the power of individual and national merit, in the power of knowledge and hard work.

The law of truth was in his mouth—not only in what he said but in what he felt about people, especially those with whom he worked. He knew how much he owed them and was not one to preen himself with the feathers of others. He once publicly acknowledged that the proudest day of his life was the day when his staff, in his absence, following the assassination of President Kennedy, set aside the finished copy of the magazine and, only hours before publication, prepared a completely new edition.

This unique feat of modern journalism, accomplished by his associates without his direction and help, meant more to him than any of his own, very considerable single-handed achievements.

His vicarious joy in the success of others reflected a generosity of spirit not always found among leaders.

He was a man of truth in his personal bearing, living a strictly disciplined life; a prodigious worker who would not ask of others what he was unwilling to do himself; a man whose word was his bond, faithful to friends, loyal to family; a man who did not leave behind a trail of broken promises and betrayals.

It might be a source of unending amazement to some of us why so tough-minded an observer of the struggle for power—who, from earliest childhood, had trained himself to report what he saw—never turned cynical. How could he remain, all his life, both a realist and idealist—as clear in his perception of what is, against what ought to be?

The key to this puzzle is a fundamentally religious faith which his own tradition imparted to him and which he found so much in consonance with the spiritual core of America: a supreme belief in God, by whose will, right is might! He tenaciously nurtured this religious faith not only by loyal membership in this Congregation, but by his unfailing participation in the Senate's Prayer Breakfast. He was the only non-Senator to be admitted to this weekly religious fellowship, and one of its leading spirits.

Scripture tells us: "There is a time to be silent." (Eccl. 3:7) The voice of David Lawrence has been silenced. His column, which was a pillar of principle in a world maddened by unprincipled power, no longer appears.

We may ponder the measure of good he did and how much of his influence will continue. But, if he himself could speak to us now, he might well say:

For me—to have made one soul better for my birth;

To have added but one flower to the garden of the earth;

To have struck one blow for truth in the daily fight with lies;

To have done one deed of right in the face of calumnies;

To have sown in the souls of men one thought that will not die;

To have been a link in the chain of life—shall be immortality.

BY ARTHUR KROCK, FORMERLY CHIEF OF THE WASHINGTON BUREAU OF NEW YORK TIMES

On Dec. 23, 1963—two days before his 75th birthday—the National Press Club gave a luncheon in honor of David Lawrence. Although we use words extravagantly in my profession, it is not extravagant to describe the occasion as "memorable."

It was memorable for several reasons, but two were outstanding. The speaker had accomplished an almost impossible feat: "I've tried to figure out," he remarked, "what it is a fellow can say about himself and . . . remain modest at the end." But he had. Moreover, a member of the audience had arisen to tell David Lawrence something about himself that applies equally to this occasion: "Do you know," he asked David, "that every person here and many more who are absent have a real affection for you?"

But, true as the statement was, on this day as well, it enumerated only one of the qualities inherent in David Lawrence that account for the noble contribution he made—as a journalist to the enlightenment of his time, and as a humanist to the store of compassion for the less fortunate that is ever in scant supply. His contribution was, substantially, professional integrity, personal honor, and courage in serving principle at risk of the loss of a fortune hardly won. For frequently articles under his by-line, involving the risk of crippling financial boycott of his magazine, were palpably written in full awareness of it.

If the personal standards David Lawrence lived by were common to us all, there would be much more evidence to sustain his faith, as he expressed it that day at the National Press Club—the faith that for mankind "there is an inspiration somewhere."

If the basic professional standard by which he was guided were common to all his contemporaries, the press would be much better armed in defending itself from those who fundamentally and knowingly—and I do not agree there are many such in office—would shackle its freedom to search out and circulate the facts the people are entitled to know.

For, as reporter, columnist, editor and pub-

lisher, David Lawrence upheld a basic professional standard. It was: in news reporting, to set down coldly the vital statistics of a happening, a condition or a situation and leave judgment of its significances to the reader. If the product were a commentary, it should be plainly so marked and the author's primary mission was to clarify the issues involved, provide pertinent information, and with due acknowledgement of the opposing point of view, modestly present his own.

I have tried to recall any column or editorial he wrote in which he turned to the pejorative to buttress his position. Although, two classes after mine, David Lawrence took the same freshman English courses I did at Princeton, under the same professors, he seemed never to have learned any of the parts of speech in the category of abuse. Nor do I recall any column or editorial in which he repaid the source of exclusive information by ornamenting subsequent mention of the name of his source with "able," "forthright," "astute" or any of the expressions by which such repayment is made by some of his colleagues.

Adhering to these standards, as David Lawrence did, does not set the river of print on fire. But it helps greatly to keep that river clean, and sustain the flow of reliable information that serves our government process.

When first I met David Lawrence he was the new boy at the Press Club, relieving me of that lowly status, which I had acquired a few months before in the year 1910.

The chief of the Associated Press bureau in Philadelphia must have had a good eye for promise when he recommended that Lawrence be transferred to Washington. It was not long before the slim, eager young man, with a most agreeable personality, was upsetting the complacent hierarchy of Washington correspondents—some of them wore silk hats then, and carried canes—with exclusive news stories written with a clarity and personal detachment that won him the highly respected position of Washington correspondent of "The New York Evening Post"—then a literate newspaper resembling the present one in name only.

To those who knew David only by his journalism it may be surprising to be told that in his youth he was filled with a spirit of merriment, and one which wasn't always "innocent," as Gilbert and Sullivan's Mikado described his own.

I learned of this trait early in our acquaintance. David, being an extra young man around town in the first Wilson Administration, often came to dine with my wife and me. One of these evenings the telephone rang while we were at dinner, and it was not until later that I recalled as an odd circumstance how quickly our guest sprang to answer it. "It's for you," he said, in a tone so lugubrious that I picked up the instrument prepared for the worst, and it was.

The caller's voice was unquestionably, I thought, that of the member of Congress from Kentucky he identified himself to be—a member, moreover, whom I knew to be resentful of a news story concerning him that I had sent to my paper, "The Courier-Journal" of Louisville. "I hereby give notice," were the statesman's opening words, uttered in a resounding shout; "that when next we meet—and I shall see this is soon—I shall disembowel you unless you have retracted that lying article."

I knew from the gentleman's record in various taverns that he was wholly capable of attempting the operation on me—unless by chance his chosen instrument was a gun. But the apprehension that my wife and guest would gather enough from my side of the conversation to conclude I was a coward, a renegade reporter yielding to threat, impelled me to make something like the following statement before banging down the receiver: "Sir, you cannot intimidate me, and I will prove this the next time our paths cross."

Suffused with a mixture of fear and personal pride, I returned to the table to find Lawrence doubled up in mirth and my wife disappointly unimpressed with my heroism. For, as it developed, Lawrence knew, and had informed my wife, that the belligerent who called up was not the Kentucky Representative at all, but Joe Tumulty, President Wilson's secretary and a close pal of David, the two having planned the joke together.

As age came upon David Lawrence, and fate inflicted on him two of the most poignant griefs in human experience, his youthful sense of merriment was subordinated to a kind of amused contemplation of the pretentiousness that is deeply woven in the fabric of Washington life.

This amusement extended to him his own ways and works; equally he would turn off compliment or complaint with banter. For, as Disraeli noted, "Those who have known grief rarely seem sad." And so I feel that we should bid farewell to David Lawrence without sadness. For he met his last deadline well in advance, as he had for 60 years, when he arose from his typewriter for the final time.

In his Press Club talk, he answered one question by saying that "the moral principles Woodrow Wilson expounded in international affairs were . . . the greatest thing I've ever known." We here today can praise in similar terms the moral principles which David Lawrence expounded in everything he did, wrote and thought.

I do not believe he ever did a petty thing. I know he never wrote a petty line.

Mr. PERCY. Mr. President, this morning I was privileged to be the leader of the Senators prayer breakfast. Since our last meeting we have lost a dear friend, David Lawrence. Had Senator JOHN STENNIS, who has attended Senate prayer breakfasts with David Lawrence for a quarter century been able to be with us at our meeting this morning, he would have spoken I know about our departed friend. In his absence I substituted as best I could.

James Russell Lowell once wrote:

No man can produce great things who is not thoroughly sincere in dealing with himself.

That surely is one reason David Lawrence was able to do such great things in his lifetime—that and his adherence to the belief that "there is an inspiration somewhere."

David Lawrence was a part of the Senate prayer breakfast group since its inception in the early 1940's.

He was, as far as I know, the only non-Senate member of the group, and surely one of its most faithful participants.

Over a 30-year period, he saw Senate members come and go as the political tides changed, but he remained a steadfast, active member.

He recognized this group as a source of spiritual strength.

He himself, by virtue of his own lifestyle, gave strength to the other members.

His participation over the long years, indicated his realization of the need of all of us—in the Senate and out—to look to something higher than ourselves for guidance and direction in our daily lives.

David's life was a shining example of the good one can achieve when he couples his God-given talents with a high regard for his fellow men.

His own life story could have made our traditional Horatio Alger success stories pale by comparison.

He was born to poor immigrant parents.

He worked his way through Princeton by being the AP reporter in charge of university coverage.

He moved on to a variety of journalistic endeavors: first, AP correspondent in Washington; second, columnist for the New York Evening Post; third, owner of his own press association; fourth, founder of the weekly United States News and the World Report, which in 1947 he merged into U.S. News & World Report; political commentator on a radio broadcast; and author whose incisive column was syndicated in 300 newspapers.

During his rise to the top of the journalistic world, and throughout the years when he was one of the most respected writers in the United States, he never wavered in his dedication to the highest principles in his relationship with his family, friends, and coworkers or to the strictest rules of integrity in his profession.

His generosity toward his fellows can be seen in several examples: first, in 1970, he donated to Fairfax County, Va., where he lived so long, his 600-acre farm to be used as a public park; second, in 1946, he sold the Bureau of National Affairs to its employees; third, in 1962, he sold U.S. News & World Report to his employees, offering generous stock options to those who had been with the company over 5 years. It was typical of David to want to lend a hand to those who had served the magazine faithfully, to offer people the opportunity to advance themselves.

I think the words of his friend and colleague, Arthur Krock, most accurately portray David's contribution to the field of political reporting:

Adhering to these standards (of journalistic excellence through impartial coverage), as David Lawrence did, does not set the river of print on fire. But it helps greatly to keep that river clean, and sustain the flow of reliable information that serves our government process.

It is one of life's strange coincidences that at the first prayer breakfast after his death, it was my turn to speak to the group, for David Lawrence's last column was about my proposal, cosponsored by Senator CRANSTON and Senator HARRY F. BYRD, JR., to set up budgeting committees for the Congress composed of members of the Ways and Means, Finance and Appropriations Committees, to establish our own ceiling on expenditures.

I ask unanimous consent that article together with an editorial from the Washington Evening Star, of Tuesday, February 13, 1973, be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PERCY. Mr. President, I know how much I personally shall miss David Lawrence as a friend.

I shall miss having the benefit of his fair and probing mind.

I must say that I shall miss, too, the inspiration he gave me by the unusual response he had to advancing age.

It is not unusual that he lived to be 84 years old.

But it is highly unusual that he was so active in mind and body until the moment of his death.

His final column, which I mentioned earlier, was written a few hours before his death, according to the Evening Star.

I am inclined to believe that his example is an excellent one for us to pursue—he kept active in his later years, and as he stayed active, he stayed thoughtful, insightful, accurate, and eloquent.

His fine mind stayed alert and penetrating with the passage of time because he kept the edge finely honed.

David seemed to be in agreement with Cicero who wrote:

We must take a stand against old age, and its faults must be atoned for by activity. We must fight, as it were, against disease, and in like manner against old age. Nor, indeed, must the body alone be supported, but the mind and the soul much more; for these also, unless you drop oil on them as on a lamp, are extinguished by old age. . . . Our minds are rendered buoyant by exercise.

Justice Oliver Wendell Holmes, whose philosophy about growing old with activity, as well as grace, wrote:

The riders in a race do not stop short when they reach the goal. There is a little finishing canter before coming to a standstill. There is time to hear the kind voices of friends, and to say to oneself: "The work is done." But just as one says that, the answer comes: "The race is over, but the work is never done while the power to work remains." The canter that brings you to a standstill need not be only a coming to rest. It cannot be, while you still live. For to live is to function. That is all there is to living.

The greatest tribute we could pay to David Lawrence is to guard against letting our own interest in life deteriorate in any way. He provides an inspiration for us all.

EXHIBIT 1

WHO SHALL BE ADMINISTRATOR?

(By David Lawrence)

Sen. Charles H. Percy, Republican of Illinois, and Sen. Alan Cranston, Democrat of California, have come forth with a proposal to set up a congressional mechanism which would establish at the start of each session of Congress a joint meeting of the senior members of the Ways and Means, the Finance and the Appropriations Committees of the two houses to limit budget outlays for the coming fiscal year.

A panel would be required to meet by March 30 and fix the top sum of expenditures in a joint resolution for the approval of the Senate and the House. The plan would stipulate that, until both approved the resolutions, neither one could pass an appropriations bill. The theory is that each appropriations committee would be compelled to operate within an over-all budget ceiling.

Percy says the bill is especially timely in view of "the potential confrontation, and even constitutional crisis, that may be posed between the Congress and the executive over the question of executive impoundment of congressionally mandated appropriations." He asserts that "reform of the congressional appropriations system is the single most important issue we must address."

It is recalled that Congress in 1946 enacted virtually identical legislation, but it was never utilized and hence repealed.

Percy believes that, because there is no definite relationship between congressional decisions to raise money and decisions to spend it, the current methods are ineffective. He points out that the congressional committees which are responsible for appropriating funds do not weigh the amounts available for spending against the amounts to be appropriated. He contends that "there is no system of spending priorities" and that the present "separate, uncoordinated and fragmented appropriations of individual subcommittees are merely added up to produce an appropriations total."

The objective of the proposal is to enable Congress to gain control over the whole spending process and thereby mitigate or eliminate the impounding problem. What is involved here, of course, is the question of how the legislative and executive branches of the government can cooperate in this field.

Clearly, Congress has the power to appropriate money, but the executive departments are compelled to interpret the purposes of the appropriations and to determine whether the sums available should or should not be spent. The situation for which the money is authorized must be thoroughly examined to decide whether public funds should be disbursed or deferred.

The problem, in a nutshell, is who shall be the executive or administrator in the government? Congress has the authority to pass laws enacting the appropriations for which it wishes money to be spent. But the officials of the executive branch have the responsibility, on the other hand, to consider carefully whether the authorizations made by Congress call for total spending or partial spending or a deferment until the circumstances are suitable. Somebody, of course, actually has to spend the money and before doing so would naturally want to know whether the authorization properly applies or should be withheld or modified.

Unquestionably Congress has the right to authorize the expenditure of funds. But the executive branch of the government must determine whether the money should or should not be spent, based upon a study of the facts and also on the discretion that should be used in giving preference to one need that has arisen rather than another.

In a large-sized private business, the treasurer of the company makes known the sums of money available for particular categories of operation. But a set of executive officers determines how much money shall be spent and whether some proposed expenditures shall be curtailed or withheld altogether. Similarly, in government the final decision really rests with the branch which actually spends the money and has full knowledge of what each situation requires.

DAVID LAWRENCE

David Lawrence, who died Sunday at 84, kept busy to the end. No one at the Star-News, and probably none of his readers, was surprised that his usual Monday column was already in the office. But he did surprise us, for all that. The obituary in our early editions yesterday directed readers to Mr. Lawrence's "last column" on that day's opposite-editorial page. And then, on the wire, right on time as usual came what indeed is his last column, written a few hours before he died. It appears in its usual spot today—lucid, crisp, informative, the product of a wise and gentle mind which never stopped asking the right questions.

This unflagging attention to duty was in all ways typical of Mr. Lawrence. He was a man of large affairs, the publisher of a major news magazine of wide circulation and influence. But, after his family, the column was always Mr. Lawrence's first love. For 50 years it appeared in this newspaper—something like 13,000 times. He wrote every word himself. And invariably, if our first edition contained a typographical error, we knew that if Mr. Lawrence was in town he would be on the phone before the ink was dry, gently making sure that the offense had been noted by someone, and that everything would be put right in time for the next edition of the paper.

He was the newsman in the classic mold. His opinions were firm, but they never overrode the reporter's instinct to get to the bottom of the story. He had the tenacity of the proverbial bulldog in his search for the facts, but withal he was the most forgiving and kindest of men. One of the best things that can be said about the profession of journalism is that, very occasionally, it produces a David Lawrence.

THE NIXON FOREIGN ASSISTANCE BUDGET AND AID TO NORTH VIETNAM

Mr. HUMPHREY. Mr. President, shortly after the President submitted his budget, I made some observations about this important document. At that time I was focusing on what might be considered the administration's domestic budget.

Today, I would like to examine and comment on several items in the international affairs portion of the budget, including the proposal to grant aid to North Vietnam.

As with the President's budget requests on the domestic side, many of the same comments can be made concerning his priorities in the area of American obligations abroad. The President's domestic budget was one of deception, deficits, neglect, big business favoritism, and domestic disengagement. His international affairs budget is topheavy from military expenditures and makes a lackluster commitment to humanitarian programs. This imbalance of priorities is totally counter to the traditional goals of American foreign assistance. It does considerable harm to American pronouncements that we seek a generation of peace.

I am aware of the intense feelings generated by any discussion of our foreign assistance programs. There are some who would like to abandon totally our entire foreign assistance program in both fields of security and economic assistance of a bilateral and multilateral nature.

I do not favor such a move. Foreign assistance can still be discussed and advocated without abandoning the following principles:

All nations should pay their fair share.

No country should be controlled, "guided," or coddled by another.

The preoccupation with military objectives and the proposal of bloated military foreign assistance budgets interferes with our ability to respond effectively to foreign development programs and provide humanitarian assistance where it is desperately needed.

I have fought too long for dignity and economic justice for Americans to be convinced now by foreign aid critics that other peoples do not deserve or do not want to achieve these same goals.

I will be one of the first to come forward and say that our priorities must be here at home, in Detroit and Los Angeles, and in rural America. But to forget that poverty, disease and suffering also exist beyond our shores and to turn our backs on people in need is to deceive ourselves that world order and international peace can be achieved through a balance of power alone.

Although it is not fashionable to say so, I do not believe that our involvement in a tragic conflict in Vietnam means that we must neglect our worldwide humanitarian commitments. If we do so, we act not only against the truly humanitarian character of America, but we exacerbate international tensions that have their roots in extreme poverty and the growing disparity between the rich nations and the poor.

I cannot forget what His Holiness Pope Paul said to us in one of his encyclicals: development is the new name for peace.

Among the wealthiest nations of the world, the United States stands far down the list in the percentage of our gross national product devoted to foreign developmental assistance. At the time of the Marshall plan, roughly 3 percent of our GNP went for foreign aid. Now, the percentage is less than one-half of 1 percent. Eleven other industrialized nations contribute a greater share of their total national wealth to foreign assistance than we do.

I am not advocating a return to the former 3-percent level. But I believe that few Americans are aware of our declining contribution to humanitarian foreign assistance efforts.

So the question is not whether to abandon our foreign assistance programs, but to ask what kind of foreign assistance do we want? What kind should we grant or offer?

The Nixon budget has asked that question and the answer is an increase over 1973 funding levels in military assistance budget requests in all categories: grant assistance, credit sales, and security supporting assistance.

In other words, the military assistance programs go up and up and the humanitarian assistance programs go down.

Although the administration would like our military aid program to be shifted from grants to credit and cash sales, the $1.8 billion price tag for these programs must be scrutinized and reduced. And this figure does not even include the military aid programs for Vietnam and Laos which are part of the Department of Defense budget.

It is estimated that the United States pays 70 percent of the cost of defending the non-Communist world. Although we derive benefits from this security shield, our assumption of this immense burden relieves other nations from paying their own way.

This situation was well described in the Appropriations Committee Report in the fiscal year 1973 Foreign Assistance bill. The report said:

> We cannot fail to provide adequate defenses for our own country, but we can and should stop trying to underwrite military costs in 67 other countries. Buying friendship produces fickle allies and provides a corrupting influence for donor and recipient; needs are exaggerated, threats are invented, and we become supporters of oppressive and brutal regimes which represent the exact opposite of every principle we hold dear. Too often our allies are more hostile to each other than those against whom our global defense efforts are directed. Too often we arm friends to fight friends, and their battles are more lethal as a consequence of our military assistance.

In the name of the Nixon doctrine, we have continued and increased an already bloated military assistance program which only helps to perpetuate the global proliferation of armaments. If this is the establishment of a system of greater security, then Mr. Nixon and the Pentagon define the word differently than most Americans.

Mr. President, I want to draw the attention of my colleagues and the Nation to a budget item which must be included in any discussion of the international affairs programs of the 1974 budget.

For fiscal year 1974 the administration has requested $2.1 billion for the Military Assistance Service Funded program for Vietnam and Laos. Is that not a magnificent title: The Military Assistance Service Funded program for Vietnam and Laos. How it does cover up many things and confuse many people. This budget request is only $635 million below the 1973 appropriation, despite the fact that we have a cease-fire in Vietnam and now today, thank goodness, in Laos.

Under the terms of the Department of Defense Appropriation Act the funds in the Military Assistance Service Funded or MASF program are to be used "to support: First, Vietnamese and other free world forces in support of Vietnamese forces; second, local forces in Laos; and for related costs in such terms and conditions as the Secretary of Defense may determine.

The Department of Defense has provided me with a general breakdown for the fiscal 1973 MASF program. I ask unanimous consent that it be printed at this point in the RECORD.

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

ESTIMATED AMOUNTS INCLUDED IN THE MILITARY FUNCTIONS APPROPRIATIONS FOR SUPPORT OF FREE WORLD FORCES IN SOUTHEAST ASIA, FISCAL YEAR 1973—PRESIDENT'S BUDGET

[In millions of dollars]

Appropriation	Fiscal year 1973			
	South Vietnam	Korea	Laos	Total
Military personnel:				
Army	68.8	64.0	19.0	151.8
Navy		.9		.9
Marine Corps				
Total	68.8	64.9	19.0	152.7
Operation and maintenance:				
Army	573.0	46.1	116.7	735.8
Navy	54.9	.4		55.3
Marine Corps	.9			.9
Air Force	330.0	.6	77.0	407.6
Total	958.8	47.1	193.7	1,199.6
Procurement:				
Army:				
Aircraft				
Missile	4.3			4.3
W & TCV	4.6	.1	.1	4.8
Ammunition	724.7	11.7	83.2	819.6
Other	25.9		1.2	27.1
Navy: Other	13.7			13.7
Marine Corps	.6			.6
Air Force:				
Aircraft	265.9		11.0	276.9
Other	190.4		45.3	235.7
Total	1,230.1	11.8	140.8	1,382.7
Summary:				
Army	1,401.3	121.9	220.2	1,743.4
Navy	68.6	1.3		69.9
Marine Corps	1.5			1.5
Air Force	786.3	.6	133.3	920.2
Total	2,257.7	123.8	353.5	2,735.0

Mr. HUMPHREY. Mr. President, from this information, I would like to make the following observations:

The withdrawal of Korean forces from South Vietnam will eliminate the need for funding this country's operations in Vietnam. Last year our support for Korea's efforts in Indochina accounted for $123.8 million in the 1973 appropriation.

If a cease-fire is achieved in Laos and it now appears this has been achieved and if controls are placed on weapons replacement and the introduction of armaments, there will no longer be a need for funding Laotian forces at the 1973 level of $353.5 million.

The largest share of the $2.7 billion 1973 MASF appropriation went to the South Vietnamese. And the largest share of this $2.2 billion—approximately $1.2 billion—went for the procurement of new military hardware for South Vietnam. Within the procurement category the largest portion of these funds went for ammunition—approximately $700 million was appropriated for this purpose. It does not seem possible that with a cease-fire the ARVN will require nearly three-quarters of a billion dollars for ammunition, which is included in this proposed budget.

The next largest expenditure in the MASF program is for operations and maintenance of the South Vietnamese Army with $573 million appropriated for this purpose. Again, in the eventual absence of hostilities which I hope will occur in the very near future, it does not

seem possible that this funding level should be continued.

The 1973 MASF appropriation for the South Vietnamese Air Force totaled $786.3 million. I have no idea of what is contemplated for this air force in the 1974 requests. But in view of its present size, its capabilities and its strength compared to other air forces in the region, I would be strongly opposed to a continuation of American funding at this level. Sharp reductions in our assistance to this air force can and should be made.

To summarize it simply, it is replacement, one to one. In other words, if you lose one you get a replacement of one.

According to the recently signed Paris peace agreements, the following stipulations have been placed on the shipment of weapons to South Vietnam and on the transfer of military equipment and supplies to South Vietnamese military forces by departing American troops:

ARTICLE 8

a. In implementation of article 5 of the agreement, the United States and the other foreign countries referred to in article 5 of the agreement shall take with them all their armaments, munitions, and war material. Transfers of such items which would leave them in South Vietnam shall not be made subsequent to the entry into force of the agreement except for transfers of communications, transport, and other noncombat material to the Four-Party Joint Military Commission or the International Commission of Control and Supervision.

ARTICLE 9

a. In implementation of article 6 of the agreement, the United States and the other foreign countries referred to in that article shall dismantle and remove from South Vietnam or destroy all military bases in South Vietnam of the United States and of the other foreign countries referred to in that article, including weapons, mines, and other military equipment at these bases, for the purpose of making them unusable for military purposes.

PROTOCOLS TO THE AGREEMENT ON ENDING THE WAR CONCERNING THE CEASE-FIRE IN SOUTH VIETNAM AND THE JOINT MILITARY COMMISSION

ARTICLE 6

The dismantlement of all military bases in South Vietnam of the United States and of the other foreign countries mentioned in article 3(a) shall be completed within 60 days of the signing of this agreement.

ARTICLE 7

From the enforcement of the cease-fire to the formation of the government provided for in articles 9(b) and 14 of this agreement, the two South Vietnamese parties shall not accept the introduction of troops, military advisers, and military personnel including technical military personnel, armaments, munitions, and war material into South Vietnam.

The two South Vietnamese parties shall be permitted to make periodic replacement of armaments, munitions, and war material which have been destroyed, damaged, worn out, or used up after the cease-fire, on the basis of piece-for-piece, of the same characteristics and properties, under the supervision of the Joint Military Commission of the two South Vietnamese parties and of the International Commission of Control and Supervision.

AGREEMENT ON ENDING THE WAR AND RESTORING PEACE IN VIETNAM

In light of these restrictions, I do not see how the $2.1 billion request for the military assistance service fund can be justified.

In fact, because of the provisions of the peace terms, it seems that it will be impossible to spend the $2.1 billion MASF requests in the 1974 budget.

Even if there were no prohibitions against the supply of military weapons and material to South Vietnam, I would be opposed to such a high level of funding to equip an already well equipped—and perhaps overequipped—South Vietnamese military establishment.

Just reviewing their inventory of weapons and manpower, one wonders how this $2.1 billion budget request can be justified. South Vietnamese Armed Forces must be considered one of the most well equipped, lavishly equipped, generously equipped with modern weapons of any force in Asia or in the world.

They have a 410,000-man army composed of 11 infantry divisions, one airborne division, 27 ranger battalions and 37 artillery battalions.

Their 39,000-man navy has among other craft, seven destroyer escorts, 500 river patrol boats and 70 fast patrol boats.

They have a 13,000-man marine corps and a 35,000-man police field force.

The South Vietnamese Air Force, one of the most modern in the world, contains 41,000 men and 275 combat aircraft, including one tactical fighter squadron with F–5's, five fighter-bomber squadrons with A–37's and three fighter-bomber squadrons with Skyraider missiles.

There are approximately 500,000 South Vietnamese in the regional and provincial militia forces, all with modern weapons and having substituted inventories of replacement supplies.

This partial inventory of military capabilities is several months old. From October 1972 until the cease-fire, shipments of arms and equipment proceeded at such a rapid rate that on January 8, 1973, former Secretary of Defense Laird said that "Vietnamization—is virtually completed."

I remind Members of this body and those who study the RECORD, that from the fall months, starting about November, until the cease-fire, every conceivable piece of equipment we could lay our hands on was being shipped to South Vietnam to fill their warehouses and more properly equip their armed forces.

Since mid-October of last year the United States has shipped approximately 600 aircraft—including 300 helicopters—40 M–48 tanks and about a dozen long-range 175 millimeter cannons.

This item, which is so important, is so confused in that budget that, after working with the staff of the Joint Economic Committee, and after a very careful analysis, we have found that that budget item amounts to over $2 billion of moneys that are not needed and should not be appropriated.

Mr. President, the $2.1 billion in the MASF program is unneeded, unwarranted, and an exorbitant expenditure.

It cannot be justified in terms of South Vietnam's defense needs. And it certainly cannot be justified in view of the provisions of the peace accords signed in Paris.

Until the Defense Department comes to the Congress and provides us with an explanation and justification of this program, I will consider it a $2.1 billion contingency fund to be used in case the peace fails and fighting breaks out again.

And if such a tragedy occurred, there should be no such large contingency fund at the President's disposal. He should have to send his representatives to Congress, explain the situation, suggest a course of action, and ask for congressional approval.

The MASF program provides the administration with a large financial reserve which would allow the U.S. Government to fund renewed hostilities in Indochina, without obtaining congressional approval.

Yet we are cutting out program after program in this country, as for example, the OEO program, and we are piling an additional $2 billion that no one can justify. Until the Defense Department comes to Congress and provides us with a full explanation and justification for this lavish program, I will consider it a $2.1 billion contingency fund to be used at the disposal of the President in case peace fails and fighting breaks out again.

I find the proposed funding levels of such a program totally unacceptable. I am sure that my colleagues on both sides of the aisle will agree with this evaluation. I am not suggesting that the United States disarm the South Vietnamese.

On the contrary, the Government of South Vietnam has been fully and generously assisted and armed. But the continuation of a multibillion dollar military aid program to South Vietnam in the absence of hostilities in Indochina is an overcommitment of resources at a time when our needs are so great at home.

Mr. President, no statement discussing the Nixon administration foreign assistance budget is complete without an examination of the President's recent proposal to grant aid to North Vietnam.

I know this proposal was suggested by President Johnson, as well as by President Nixon, and I know there is considerable merit in it.

On February 14, I and the other Members of the Congress learned from reading the newspapers that Mr. Kissinger and North Vietnamese officials had signed a communique in Hanoi establishing a Joint Economic Commission for postwar reconstruction in North Vietnam.

I think again this is commendable. I am not being critical of that development.

Once again the Nixon administration moved unilaterally without advising Congress in making a major proposal that will need congressional approval.

It is clear from the nature of this proposal that it is an important one—and perhaps singularly important to peace in Indochina.

However, President Nixon has endangered the chances of favorable congressional approval of aid to North Vietnam in blatantly bypassing the Congress, particularly at these planning stages.

As of today, the Congress is totally uninformed as to the extent of aid the President will request or whether he will ask other nations to join us in this effort or where the funds will come from in light of his desire to impose a strict budget ceiling.

I note that the Director of the Budget, Mr. Ash, said to the Senator from Minnesota in a hearing of the Joint Economic Committee that if the President made a request for funds to aid Vietnam, those funds would come out of existing programs in the budget—in other words, a cutback on domestic programs. Fortunately, this morning, I am happy to note, the Secretary of State, Mr. Rogers, a gentleman for whom I have a high regard—and, by the way, he made an excellent presentation to the Foreign Relations Committee—when asked about the possibility of aid to North Vietnam and how it would be funded, said:

I hope it can be done without any cuts in domestic programs.

Well, I hope so, Mr. Secretary, but the Budget Director indicated to the contrary.

Having said that, I think the time has come for the President and Mr. Kissinger to get the subject of American aid to North Vietnam out of the newspapers and into the halls of Congress.

I call upon him to consult with Democratic and Republican Members of Congress prior to his formal presentation of the aid request.

I want to make it clear that any aid request for North Vietnam should meet the following conditions:

First, the aid must be multilateral. The President must endeavor to obtain substantial assistance from other nations in this effort to rebuild a war-torn land and bring economic recovery to Indochina.

Second, American funds for the reconstruction of North Vietnam must come out of the Department of Defense appropriations or through a supplemental budget request. I will refuse to vote for such a program if funding is taken from a domestic budget already cut back to unacceptable levels.

I have been a lifetime supporter of foreign aid. I am a believer in it. But I do not believe any man in the Senate can stand up and support foreign assistance of this nature if it takes away funds for domestic education, health, and the manpower needs of the Nation.

I set these two preconditions for my vote of approval of aid to North Vietnam, because I believe that the American obligation to this effort cannot be undertaken at the cost of further depriving Americans of basic necessities to which they are entitled.

The President must realize the controversial nature of his proposal. The Congress will aid him in his humanitarian efforts in Indochina, but this humanitarianism must extend first to the people of the United States.

I want to help him. I want to support this program. But this humanitarianism must extend first to the needy people of the United States and to the critical needs here in rural America and urban America.

Mr. President, the administration's international affairs budget and the domestic budget share a common fault: military overspending to the detriment of other programs in development and human resources.

The funding increases from fiscal year 1973 to fiscal year 1974 which were so apparent in the security assistance programs are absent in the economic assistance categories. In fact, total AID economic assistance has decreased by $42.3 million.

This decrease in funding is more serious than it appears. Anyone who has been involved in making a budget realizes that when programs are increased minimally—as so many have been in the economic assistance category—the actual cuts after congressional approval could be substantial.

We all know that budget requests are often inflated by an executive department in order to survive legislative cuts which are usually forthcoming.

I believe that the administration purposefully increased by very insubstantial amounts or left funding at the same level so that the Congress would step forward and make substantial cuts.

The much touted commitment to the Alliance for Progress is represented in no increases in the Alliance for Progress loan category and an $8.6 million increase in technical assistance for the Alliance.

The budget for the American schools and hospitals abroad program was slashed by $15.5 million from only $25.5 million. This program is an outstanding one which brings modern hospitals and universities to countries where the need is great for these institutions.

I have been a longtime supporter of this program because I believe that the presence of these institutions around the world not only helps people, but does much to improve our image. It is interesting to note that American schools and hospitals, whether at home or abroad, seem to get short shrift in the President's budget.

I find it difficult to understand how we can cut programs for humanitarian assistance when study after study has told us of the human suffering endured in other parts of the world and the growing gap between the developing and the developed world.

Even in the area of multilateral economic assistance which does have advantages over bilateral assistance, the administration's commitment for fiscal 1974 can be termed lackluster with an increase of only $58.9 million for contributions to international financial institutions.

The administration seems to have forgotten that development assistance involves capital transfers which in turn affects the purchasing power of the recipients and improves market conditions for American goods. Security assistance, though providing some economic stimulus here at home, does not have this multiplier effect on world markets.

Mr. President, the end of the war in Indochina means that we will enter a new era. I believe that it must be a time of reconciliation and understanding of problems at home and abroad. In turning to meet urgent needs in America, we must not forget responsibilities beyond our shores.

I recognize that in the post-Vietnam era the tide against American developmental and humanitarian assistance to nations in need will be strong. I plan to work against this tide because I believe that an American humanitarian presence does not have to mean American interference in the affairs of other nations.

Unfortunately, the overemphasis in our foreign assistance program on security assistance has meant American foreign aid has become synonymous with the shipment of arms abroad. The Nixon budget has not changed this image. In fact, it has strengthened it.

It is up to the Congress to change the Nixon administration's foreign aid priorities. Substantial cuts in worldwide security assistance and in military assistance to Indochina must be made. We have a moral responsibility to change foreign aid priorities and to examine closely the program of reconstruction aid to North Vietnam.

If there is ever to be a new morality in American foreign policy after more than a decade of war, we must recognize that we cannot talk about seeking global peace while supplying nations for war at the expense of depriving those in need at home and abroad with the resources to help themselves.

ORDER FOR RECOGNITION OF SENATORS EASTLAND, ROBERT C. BYRD, AND McCLELLAN, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the recognition of the two leaders or their designees on tomorrow, the distinguished senior Senator from Mississippi (Mr. EASTLAND) be recognized for not to exceed 15 minutes, that he be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes, and that he be followed by the distinguished senior Senator from Arkansas (Mr. McCLELLAN) for not to exceed 15 minutes.

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

AID TO NORTH VIETNAM

Mr. McGOVERN. Mr. President, I had intended to deliver these remarks when other Senators were present, because there are a number of Members of the Senate who are interested in this subject, but in view of the lengthy debate scheduled for the REA bill and later the air hijacking bill, I have decided to deliver at least a portion of the remarks at this time, and perhaps later in the day, when other Senators are in the Chamber, an informal colloquy on the subject can be arranged.

Mr. President, while the Paris agreement says nothing explicit on the subject, it appears that the Nixon administration now wants the Congress to ask

the American taxpayers to repair war damage in North Vietnam.

No precise figure has been set pending discussions and studies by the Joint Economic Commission which Dr. Kissinger helped set up last week, but earlier estimates went as high as $2.5 billion for North Vietnam alone, leaving out more substantial aid for the South.

The administration's concern over this issue is understandable. The bombing has ravaged vast areas of Indochina. As of December 31, 1972, that region had absorbed 7,403,613 tons of bombs—well over twice the tonnage dropped in all of World War II and the Korean war combined. That is the explosive equivalent of more than 370 nuclear devices of the size that leveled Hiroshima.

It is not often realized that most of that incredible bombardment fell not on North Vietnam but on the South—on the territory of our ally, and the greatest destructive impact of the war has been on the land and people we went in to defend.

But the accelerated bombing of the North over the past several years, culminating in the pre-Christmas raids over Hanoi, certainly had a devastating impact. I do not doubt that it will take billions of dollars and years of effort to rebuild.

Yet for all of this, I cannot be at all sympathetic now to a massive program of direct reconstruction aid—certainly not one financed as Mr. Nixon has proposed.

These aid requests will arrive at a time when needed programs for our own rural and urban areas, our older people, our schools and our veterans are being slashed to the bone, cut back or terminated in defiance of both the will of the Congress and the spirit of the Constitution.

Administration spokesmen have been vague about where the money will come from to finance aid to North Vietnam, but it is safe to assume that even greater domestic cuts will be demanded, or else higher taxes, if we are going to provide that assistance and still stay within the $268.7 billion spending ceiling.

After all these years of starving domestic programs to feed this incredible war, I cannot believe we will tell the American people that they must still go without services they need, so we can give huge sums of aid to our adversary in the war. I cannot believe the administration wants to continue depriving priorities at home, so we can send billions of dollars to a government that same administration has been instructing us to despise.

Perhaps the President has an idea where that aid money can be found in the budget. But I will not go along with the premise that we should find it by cutting our school budgets or weakening our conservation programs. I will not join in a decision to tell the poor of this country that we cannot build decent low-cost housing here, because we are rebuilding Southeast Asia instead. I certainly will not tell the veterans of Vietnam that we are neglecting their needs to pay off the north.

Yet these are the decisions involved in the aid request. The administration should come up with some better choices, before we consider the question of aid at all.

I am troubled by one other aspect of the administration's position on aid to North Vietnam.

I have read the President's recent declarations that under no circumstances will we forgive the young Americans who refused to participate in the war, even with a provision—as Senator TAFT, of Ohio, has proposed—that alternative service be required.

Amnesty is a Presidential prerogative, and it is clearly within Mr. Nixon's right to grant or withhold it.

But where is the logic in leaving in jail or exile many young Americans, who would not fight, while sending billions of dollars in aid to a country that was our enemy until a few days ago?

The President seems to be saying that we must reward our enemy, but we cannot forgive our own sons who thought the war was a mistake.

In addition, I see a sound long-range principle arguing against a program of direct aid to either North or South Vietnam.

Dr. Kissinger described the purpose of his continuing dialog with the North as "the beginning of new bilateral relations" between the United States and North Vietnam.

I would welcome normal diplomatic relations with that country. But it is an entirely different matter when we are talking about aid.

If we learn nothing else from our bitter experience in Indochina, we must at least understand the risks of unilateral involvements, either military or economic. If we cannot police the world alone, neither can we put it right by ourselves.

American weapons caused most of the damage in the war. But we are not alone in bearing a responsibility or retaining an interest. China and the Soviet Union supplied arms and various kinds of economic assistance to North Vietnam. Other countries made a very great profit from the war by selling goods to both sides. And, looking ahead, all nations in Asia, and especially Japan, together with all nations involved in commerce in that part of the world, have a future interest in its reconstruction.

So despite whatever special obligations we might feel, I think we must move now to shed the notion that there is a special bilateral relationship between the United States and Vietnam, North or South, lest we once again be dragged into an involvement in that part of the world. We should reject any proposal for direct U.S. aid, and instead seek a multilateral reconstruction program through the United Nations and other international agencies. In the process, we will strengthen the institutions which should have the primary responsibility for building a peace that will last.

For all of these reasons, I intend to oppose any request for U.S. Government aid to North Vietnam. While needs are great there, we have great needs at home which have been neglected for too long a time. I cannot justify being more sensitive to the interests of a former adversary than to the concerns of our own people. And to break the dangerous premise that Vietnam is akin to a provincial interest of the United States, we should seek international supervision of Indochina aid programs, with participation by all developed nations.

I want to make one further suggestion on what the U.S. role should be.

The war has been a source of heartache for millions of Americans who have seen it for years as a violation of this country's best ideals. Yet through their tax dollars, those same people were forced to pay for the bombing they opposed—including $500 million for the Christmastime raids alone. Is it proper now that those who opposed the raids and were not consulted, should now be asked to pay for the damage?

In his second inaugural address, President Nixon said,

> Let us encourage individuals at home and nations abroad to do more for themselves . . . In the challenges we face together, let each of us ask, not just how can government help, but how can I help?

In keeping with that spirit, I think it would be appropriate for the President to enlist private contributions for reconstruction aid to North Vietnam, instead of demanding such funds from the American taxpayers.

A number of organizations have already begun efforts of that kind. With real Presidential leadership, the base of support could be dramatically broadened. In addition to humanitarian appeals, there are groups with a special reason to help if they are encouraged by the Nation's leadership.

Between 1965 and 1970, for example, the 10 major U.S. corporations supplying the war had contracts totaling nearly $11.9 billion. It seems logical to assume that with Mr. Nixon's active inspiration, those who produced supplies for the war—at a handsome profit—would be willing to share voluntarily in its reconstruction. By the same token, American companies have been interested in developing offshore oil resources in the Tonkin Gulf region; certainly they have a stake in the reconstruction of the area.

So before he goes back to the taxpayers, or before he tries to squeeze even more out of a an already reduced domestic budget, I suggest that the President go first to those who made big profits on the war. The American people have always responded generously to appeals of this kind. With all the special circumstances involved, I think they will respond favorably in this instance not to the compulsion of the tax system, but to a sustained Presidential appeal for voluntary aid—especially from those who made a profit from the war.

Certainly that approach should be tried. Until it is, I see yet another reason to oppose the idea of robbing the budget to pay off the damage of a mistaken war.

If he wants the American poor and

the troubled to live by the rule that he spelled out in his inaugural address, "not just how can Government help, but how I can help," I think that is a doctrine the President should apply to himself with reference to the raising of funds for North Vietnam.

Mr. GRIFFIN. Mr. President, I want to comment briefly on the very statesmanlike position taken by the distinguished majority leader, Mr. MANSFIELD, when he indicated that he intends to keep an open mind—and will try to support—a proposal for assistance to rehabilitate Southeast Asia as may be forthcoming from the administration.

The Senator from Montana has emphasized that we do not have a proposal before the Senate and we do not know what the details of it will be. I think he is taking an appropriate position at this particular point.

Mr. President, the 60-day period following the signing of the Vietnam ceasefire agreement is critical, because during that period, our prisoners of war will be coming home. This is not a very good time, I would suggest, for Members of the Senate to be making statements which might, indeed, jeopardize the agreement that has been entered into.

I particularly commend the distinguished majority leader, because he speaks as the leader of the party in control of Congress. This is certainly a time when there is a great need for a spirit of bipartisanship. If we consider the difficulties presented by any proposal to provide reconstruction aid to a former enemy, I think it would be well to remember that the situation we have today is not unlike the situation we faced following World War II. It was just as unthinkable, then, for many Americans to consider the possibility that we would provide assistance to our former enemies, Japan and Germany in rehabilitating their homelands.

At that time the tables were reversed, so to speak. In those days, there was a Democratic President in the White House, Harry Truman, and he needed the support of a Republican Congress to launch the Marshall plan. Although there was opposition on both sides of the aisle, I think it was to the great credit of the Congress that there was a sense of bipartisanship prevailed which made it possible for the United States to be compassionate, and help our enemies rebuild their countries. That proved to be a very sound investment.

Although I do not have the details—neither do those who are criticizing have the details at this point—I have no doubt that the cost involved in the program that the President will ask us to support will be a very sound investment in terms of building a lasting peace.

So I think that this is a time for Members of the Senate to exercise some restraint and to wait at least until we have the details of the proposal which may eventually come out of the talks that are taking place now.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. Res. 46. A resolution authorizing additional expenditures by the Committee on Government Operations for inquiries and investigations (Rept. No. 93–31);

S. Res. 33. A resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations (Rept. No. 93–32);

S. Res. 52. A resolution relating to expenditures by the Committee on Post Office and Civil Service (Rept. No. 93–33); and

S. Con. Res. 8. A concurrent resolution relating to the designation, administration, and expenses of the Joint Study Committee on Budget Control (Rept. No. 93–39).

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

S. Res. 43. A resolution authorizing additional expenditures by the Committee on Aeronautical and Space Sciences for inquiries and investigations (Rept. No. 93–27);

S. Res. 23. A resolution authorizing additional expenditures by the Committee on Agriculture and Forestry for inquiries and investigations (Rept. No. 93–28);

S. Res. 41. A resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations (Rept. No. 93–29);

S. Res. 37. A resolution authorizing additional expenditures by the Committee on the District of Columbia for inquiries and investigations (Rept. No. 93–30);

S. Res. 21. A resolution authorizing additional expenditures by the Committee on Public Works for inquiries and investigations (Rept. No. 93–34);

S. Res. 47. A resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations (Rept. No. 93–35);

S. Res. 49. A resolution authorizing additional expenditures by the Select Committee on Small Business (Rept. No. 93–36);

S. Res. 50. A resolution continuing, and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs (Rept. No. 93–37);

S. Res. 51. A resolution continuing, and authorizing additional expenditures by the Special Committee on Aging (Rept. No. 93–38);

S. Con. Res. 2. A concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Runaway Youth" (Rept. No. 93–23);

S. Con. Res. 3. A concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Saturday Night Special Handguns, S. 2507" (Rept. No. 93–24); and

S. Con. Res. 4. A concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Juvenile Confinement Institutions and Correctional Systems" (Rept. No. 93–25).

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

S. Res. 40. A resolution to provide four additional professional staff members and four additional clerical assistants for the Committee on Finance (Rept. No. 93–26).

EXECUTIVE REPORTS OF COMMITTEES

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

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

John R. Evans, of Utah, Philip A. Loomis, Jr., of California, and G. Bradford Cook, of Illinois, to be members of the Securities and Exchange Commission.

The above nominations were reported, with the recommendation that the nominees be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

Mr. MOSS. Mr. President, from the Committee on Commerce, I report favorably sundry nominations in the Coast Guard and National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

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

The nominations, ordered to lie on the desk, are as follows:

Leon A. Murphy, and sundry other commanders of the Coast Guard Reserve, to be permanent commissioned officers in the Coast Guard Reserve, in the grade of captain;

David J. Goehler, and sundry other persons, for permanent appointment in the National Oceanic and Atmospheric Administration;

William D. Harvey, and sundry other officers, for promotion in the Coast Guard;

William P. Allen, and sundry other officers, for promotion in the Coast Guard Reserve;

Richard E. McDonald, and sundry other officers, for promotion in the Coast Guard;

Earl D. Johnson, to be a permanent commissioned officer in the Coast Guard, in the grade of lieutenant commanders, having been found fit for duty while on the temporary disability retired list;

Edward H. Bonekemper III, and sundry other Coast Guard Reserve officers, to be permanent commissioned officers in the Regular Coast Guard; and

Frederick A. Adams, and sundry other graduates of the Coast Guard Academy, to be permanent commissioned officers in the Coast Guard.

The above nominations were reported, with the recommendation that the nominees be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

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. HUMPHREY:

S. 933. A bill for the relief of Mr. Lawrence Kiuwan Wong and Mrs. Patricia Yuet-May Wong. Referred to the Committee on the Judiciary.

S. 934. A bill to establish within the executive branch an independent board to establish guidelines for experiments involving human beings. Referred to the Committee on Government Operations.

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

S. 935. A bill to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes. Referred, by unanimous consent, to the Committee on Interior and Insular Affairs provided that the Committee on Commerce may, at its option, subsequent to reporting by the Committee on Interior and Insular Affairs, request referral of the bill for a period not to exceed 45 calendar days, excluding any lengthy period in which the Congress is not in session.

By Mr. ROBERT C. BYRD:

S. 936. A bill to amend chapter 9 of title 5 of the United States Code with respect to executive reorganizations in order to provide the Congress with an opportunity for more adequate consideration of executive reorganization plans of such chapter, and for other purposes. Referred to the Committee on Government Operations.

By Mr. THURMOND:

S. 937. A bill to amend title 37, United States Code, to provide an incentive plan for participation in the Ready Reserve. Referred to the Committee on Armed Services.

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

S. 938. A bill to provide for the addition of certain eastern national forest lands to the national wilderness preservation system, to amend section 3(b) of the Wilderness Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

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

S. 939. A bill to amend the Admission Act for the State of Idaho to permit that State to exchange public lands and to use the proceeds derived from public lands for maintenance of those lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONDALE:

S. 940. A bill for the relief of Isaac Einisman; wife, Dora; and daughter, Karin. Referred to the Committee on the Judiciary.

By Mr. ALLEN (for himself and Mr. SPARKMAN):

S. 941. A bill for the relief of Giuseppe Rosone; his wife, Rosalia Rosone; and their child Rosario Rosone. Referred to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 942. A bill to transfer and reorganize all existing law enforcement functions of the Federal Government related to trafficking in narcotics and dangerous drugs in a division of narcotics and dangerous drugs established in the Federal Bureau of Investigation. Referred to the Committee on Government Operations.

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

S. 943. A bill to provide for the establishment of an urban national park known as the Lowell Historic Canal District National Cultural Park in the city of Lowell, Mass., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

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

S. 944. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Iowa Tribe of Oklahoma and the Iowa Tribe of Kansas and Nebraska and in Indian Claims Commission docket numbered 135, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. TAFT:

S. 945. A bill to authorize the Secretary of the Interior to establish and operate a National Museum and Repository of Black History and Culture at or near Wilberforce, Ohio. Referred to the Committee on Labor and Public Welfare.

By Mr. STEVENSON:

S. 946. A bill to authorize the Secretary of the Interior to enter into contracts with, or make grants to, the several States and other entities to assist them in carrying out demonstration projects involving the reclaiming of lands which have been strip mined. Referred to the Committee on Interior and Insular Affairs.

By Mr. TUNNEY:

S. 947. A bill to amend the Internal Revenue Code of 1954 to allow a business deduction under section 162 for certain ordinary and necessary expenses incurred to enable an individual to be gainfully employed. Referred to the Committee on Finance.

By Mr. MONDALE (for himself, Mr. JAVITS, Mr. STAFFORD, Mr. PELL, Mr. KENNEDY, Mr. HARTKE, Mr. HUDDLESTON, Mr. INOUYE, Mr. NELSON, Mr. BEALL, Mr. WILLIAMS, Mr. McGOVERN, Mr. JACKSON, Mr. HUMPHREY, Mr. EAGLETON, and Mr. CHURCH):

S. 948. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees. Referred to the Committee on Government Operations.

By Mr. MONDALE (for himself, Mr. PELL, Mr. RANDOLPH, Mr. HATHAWAY, and Mr. TAFT):

S. 949. A bill to provide youth services grants, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. NELSON (for himself, Mr. ABOUREZK, Mr. METCALF, Mr. McGEE, Mr. McGOVERN, Mr. HATFIELD, and Mr. BURDICK):

S. 950. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry. Referred to the Committee on the Judiciary.

By Mr. STEVENS:

S. 951. A bill to authorize the Secretary of Commerce to purchase in certain cases the catches of commercial fishermen which are prohibited from sale by restrictions imposed on domestic commercial fishing by a State or the Federal Government; and

S. 952. A bill to provide partial reimbursement for losses incurred by commercial fishermen as a result of restrictions imposed on domestic commercial fishing by a State or Federal Government. Referred to the Committee on Commerce.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 953. A bill to authorize the Secretary of Agriculture to reimburse cooperators for work performed which benefits Forest Service programs. Referred to the Committee on Agriculture and Forestry.

By Mr. NELSON:

S. 954. A bill to amend the Public Health Service Act in order to protect the public against excessively high prices for certain drugs;

S. 955. A bill to amend the Federal Food, Drug, and Cosmetic Act to require an appropriate warning on the label of any potentially dangerous drug, and for other purposes;

S. 956. A bill to amend the Federal Food, Drug, and Cosmetic Act in order to impose certain restrictions on oral representations made to physicians and pharmacists regarding drugs, and to impose certain restrictions on the written adverising of drugs;

S. 957. A bill to amend the Federal Food, Drug, and Cosmetic Act in order to require that the label of certain drugs include expiration dates regarding the effectiveness or potency of such drugs;

S. 958. A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the export of any drug from the United States unless an application for approval of such drug has been obtained under section 505 of such act;

S. 959. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, to require the submission of certain additional information by applicants for new drugs; to require the inclusion of certain additional information in drug labeling; and for other purposes;

S. 960. A bill to amend and supplement the Federal Food, Drug, and Cosmetic Act with respect to the manufacture and distribution of drugs, and for other purposes;

S. 961. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the certification of certain drugs other than insulin and antibiotics, and to provide for the submission of certain additional information on drugs by the producers of such drugs;

S. 962. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of sample drugs;

S. 963. A bill to amend the Federal Food, drug, and Cosmetic Act to make the Secretary of Health, Education, and Welfare responsible for the testing and evaluation of all drugs to determine whether such drugs meet the requirements for approval for commercial distribution, and to provide for the establishment of a national drug testing and evaluation center, and for other purposes;

S. 964. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for equality control for drugs purchased by the United States or paid for with Federal funds, and to provide for a formulary of the United States; and

S. 965. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for a Federal Drug Compendium which will list all prescription drugs by their generic names and provide reliable, complete, and readily accessible prescribing information. Referred to the Committee on Labor and Public Welfare.

S. 966. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, to provide for the establishment of a national drug testing and evaluation center; to provide for a Federal drug compendium which lists all prescription drugs by their generic names and which provides reliable, complete, and readily accessible prescribing information; to provide for a formulary of the United States; to provide for quality control for drugs paid for with Federal funds; to provide for the registration of drugs; to provide for the certification of certain drugs other than insulin and antibiotics; to provide for the regulation of sample drugs; and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAKER:

S. 967. A bill to authorize appropriations for certain transportation projects in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Public Works.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. WEICKER):

S. 968. A bill to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations. Referred to the Committee on Banking, Housing and Urban Affairs.

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

S. 969. A bill relating to the constitutional rights of Indians. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 970. A bill to deal with the current energy crisis and the serious shortages of petroleum products facing the Nation and to authorize construction of the trans-Alaska pipeline. Referred to the Committee on Interior and Insular Affairs.

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

S.J. Res. 67. Joint resolution to provide for the striking of medals in commemoration of Jim Thorpe. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 934. A bill to establish within the executive branch an independent board to establish guidelines for experiments involving human beings. Referred to the Committee on Government Operations.

NATIONAL HUMAN EXPERIMENTATION STANDARDS BOARD ACT

Mr. HUMPHREY. Mr. President, I wish to commend the distinguished Senator from Massachusetts (Mr. KENNEDY)

and the Subcommittee on Health which he chairs for the hearings they will be conducting this week concerning human experimentation. The field of human experimentation is one in which the public is poorly informed. Yet this area involves the lives of thousands of human subjects and important medical research. Although the hearings will not devote themselves to particular legislation, they will help to provide the Congress with facts we badly need to know.

Mr. President, I am today introducing legislation to protect the rights and indeed the lives of the subjects of human experimentation. I introduced similar legislation last year. Such legislation is needed now more than ever.

The National Human Experimentation Standards Board Act would establish within the executive branch an independent board to set guidelines for experiments involving human beings.

The bill I am introducing today should in no way be interpreted as an attack on the invaluable research done or authorized by the Federal agencies capable of conducting clinical investigation using human subjects. As a result of these efforts, countless thousands of lives have been saved. However, I am concerned that we protect the rights of the human subjects of these investigations.

SHOCKING REVELATIONS

Last year the country was shocked by the revelation in the press of a barbaric syphilis study involving black men which had been conducted over a period of four decades. In Tuskegee, Ala., more than 430 men suffering from syphilis were denied treatment so Public Health Service doctors could study the damage the untreated disease did to human bodies. It was reported that at least 28, and perhaps as many as 107, of the men died from untreated syphilis.

The fact that these men volunteered for the experiment with the promise that they would receive $50 plus burial expenses demonstrates beyond any doubt that consent is a totally inadequate standard for human experimentation.

Subjects for the most dangerous experiments are almost always the poor and the uneducated. They desperately need money and do not fully comprehend the danger to which they will be exposed.

The famous medical authority Henry Knowles Beecher of Harvard University has written that:

> Lay subjects, sick or well, are not likely to understand the full implications of complicated procedures, even after careful explanation.

In some cases individuals unwittingly become test subjects, occasionally with disastrous results. Recently, associates of Ralph Nader have charged the University of Michigan with "the reckless practice of medicine" in dispensing the medication—DES—to coeds who think they may be pregnant after contraceptive failure or unprotected intercourse. DES or diethystilbestrol is a synthetic estrogen which has been linked to cancer when used for purposes other than the prevention of miscarriage in women of childbearing age.

Another experiment with DES conducted in the early 1950's on 840 women serves as a further example. These women were given the hormone diethystilbestrol and now their daughters, aged 15 to 21, are now found to have an alarmingly high rate of malignancies. One girl has died. One of the participants in the experiment in 1950 was never advised she had been part of the experiment until August 1972.

Ironically much of this experimentation has been fueled by the requirements of recent legislation. The thalidomide scandals of the early 1960's led to the passage of the Harris-Kefauver Act of 1962. This law requires pharmaceutical companies to conduct three stages of human trials before the Food and Drug Administration allows a drug to be marketed. The sponsor of a drug investigation must obtain signed statements of informed consent from each prospective participant in the experiment, but if a subject is unable to sign, the decision regarding their participation in the investigation can be left to the professional judgment of the investigator.

Federal Drug Administration records show that more than 3,000 drugs are currently being tested. In 1 year alone, 1971, human beings were the subjects of the initial, stage one, tests of more than 500 of these drugs.

The broad range of Federal programs dealing with human experimentation—from population control to cancer—make it imperative that we establish some standards to prevent the creation of human guinea pigs. Professional estimates indicate that 85 to 90 percent of all clinical investigations are Government sponsored and funded. Indeed, Government personnel, like military reserve units, and Government agencies, such as the U.S. Employment Service, are frequent sources of both subjects and information leading to subjects.

It is difficult to determine how many agencies or projects there might be since, in some instances, medical investigations are not clearly stated as involving human subjects.

The principal Federal agencies concerned are the Veterans' Administration, the Department of Defense—the Army, Air Force, and Marine Corps—and the National Institutes of Health. The Atomic Energy Commission can become involved in licensing the use of radioisotopes for experimental purposes.

Laws which make each agency ultimately responsible for the nature of its own experiments are inadequate.

NATIONAL GUIDELINES

The Congress should act now to set up national guidelines for human experimentation. There is every indication that clinical investigations will be enormously proliferated in years to come, as cancer research and other major investigative efforts are stepped up.

Mr. President, the Congress would make a serious error in adopting measures which establish informed, voluntary consent as the primary standard governing human experimentation. We have all personally experienced situations in which we were either subtly or overtly coerced into volunteering for something. For example, can anyone honestly believe that there is a total absence of pressures, including psychological pressures, in cases involving prisoners serving extended sentences who volunteer for medical projects in the belief that they might get "good time" before the parole board?

Parole boards are under no obligation whatsoever to commit themselves to reducing the sentences of those who volunteer in our prisons, indeed, established policy is to the contrary. However, we are all aware of cases such as the Leopold case, where parole has occurred accompanied by public statements indicating that the parole resulted from an exceptional voluntary contribution to the advance of medical science. However, most prisoners are not as well educated and as able to assess the risks as Mr. Leopold.

Some prison testing programs have been linked to prison drug traffic, forced homosexual encounters, injuries to inmates, and highly questionable test results. A 1968 Government study of the Holmesburg Prison in Philadelphia revealed that inmate workers for the University of Pennsylvania Medical School testing project often stole and sold drugs used on various experiments. The money paid to inmates participating in the program—more than a quarter of a million dollars each year—provided a great source of patronage to the inmate who controlled the selection of test participants. The study reports that a fraud artist who held such a position used his power to induce men to serve as his homosexual companions for fees of about $1,600 a year.

Prisoners make up almost the entire phase I stage of drug testing programs because they involve risks and pain that would not be sanctioned for student subjects. But reports indicate that behind prison walls the guidelines for human experimentation established by HEW and other agencies are easily disregarded. A recent newspaper article reports that the worst abuses of prisoners take place in exactly those prisons where psychiatrists have the most influence, such as the California Medical Center at Vacaville and the Patuxent Institution in Maryland. This happens because customary constitutional safeguards, at best flimsy in a prison, are completely shattered under the guise of "treating the patient" rather than "punishing the prisoner." The article further states that electroshock, psychosurgery, and massive drug dosing are permitted as treatments when they would be clearly "cruel and unusual" if evaluated as punishments.

While poorly informed prisoners sign up for testing programs for the money or to get away from the boredom of prison life or are unknowingly subjected to unusual medical treatments; persons outside prison walls who are critically ill are often subjected to experimentation without their consent. The same is too often true also in the cases of children, the mentally retarded, and the institutionalized.

In 1967, the late Senator Robert Kennedy discovered one reason why children at Willowbrook State School in Staten Island, N.Y., were willing participants in hepatitis experiments. Parents had been

told that the school was too crowded and that their child could not get in—unless the parents would agree to let the youngster join the school's hepatitis testing program.

In a number of municipal hospitals, physicians have succumbed to financial pressures and permitted entire units of the hospitals to be devoted to evaluating new drugs. These units are maintained and staffed by drug companies. Because treatment at public hospitals and prisons is often substandard, physicians may justifiably believe that the medical benefits of testing outweigh the risks.

It appears that many of these physicians have forgotten the admonition of Hippocrates:

Life is short, and the art long; the occasion instant, decision difficult, experiment perilous.

Despite the American Medical Association's strict codes of research ethics, a recent study found that most physicians engaged in clinical research never studied the ethics of testing while in medical school, and that a "significant minority" place personal and scientific achievement ahead of their responsibility to the test population.

Mr. President, would these physicians care more about the test population if it was composed of U.S. Congressmen? Would they be more caring if the human subject were their next-door neighbor? I submit that they would.

It is our moral responsibility to see that the poor, the uneducated, and the captive populations are not left unprotected as human guinea pigs. Prisoners must not be allowed to sell their bodies for $1 a day, not knowing the full consequences of their action. We cannot permit other persons to volunteer the mentally retarded for experiments that are not fully explained and observed. These individuals are asked to bear the burden of medical advancement for all of us. We owe them just protection.

Mr. President, I hasten to assure Members of Congress and the public that I would not hamper the legitimate research in our Nation which has saved so many lives and brought so many of us from sickness to health. Certainly, the overwhelming majority of research is conducted with the strict observance of both medical and ethical considerations. But we must act very carefully to protect our country from abuses we know exist in experiments on human beings, however rare such abuses might, in fact, be. Clearly, many test subjects are incapable of protecting themselves and have no political power to force the passage of adequate safeguards.

In 1946, the American Medical Association passed a resolution on human research. Since then there have been a number of "guiding principles" and "codes of ethics" developed by the medical profession. These promulgations were followed by FDA regulations in 1962 and the Helsinki Declaration of 1966.

All of these guides and codes are pretty much the same. They state that the "informed consent" of the subject must be obtained and that human experiments must be based on prior laboratory work and research on animals. They emphasize the grave responsibility of the investigator to the subject, and exhort him to avoid experiments that are of no scientific value or that subject humans to unnecessary pain and risk.

The principles of previous codes were incorporated in a 1972 U.S. Department of Health, Education, and Welfare publication entitled "The Institutional Guide to DHEW Policy on Protection of Human Subjects." However, despite the concern the guide expresses for captive populations; HEW does not even maintain a list of prisons in which HEW-financed research programs are in progress and has "no central source of information" on the scope of medical experiments on prisoners by drug companies according to a current Atlantic magazine article. The legislation I am introducing today would attempt to solve this information problem as well as establish national human experimentation guidelines.

THE NATIONAL HUMAN EXPERIMENTATION STANDARDS BOARD

The National Human Experimentation Standards Board would be an independent agency in the executive branch of the Government. Its members would be appointed by the President by and with the advice and consent of the Senate.

The members of the Board would be persons of demonstrated knowledge, education, and experience in the field of clinical investigations. Each member would serve for a period of 3 years and would be eligible for reappointment for one additional term.

The members of the Board would be authorized to appoint personnel, and fix the compensation of the personnel in accordance with the provisions of title 5 of the United States Code.

The Board would make the rules which would govern its functions, and have the right to delegate authority.

Experts and consultants could be made available, under the terms of section 3109 of title 5, United States Code.

The Board could appoint one or more advisory committees to be composed of such private citizens and officials of government at all levels as the Board would deem suitable.

The services and facilities of other agencies of Government would, with their consent, be called upon. Other services of a voluntary and uncompensated nature could be accepted by the Board, notwithstanding the provisions of section 3676 of the revised statutes, and unconditional gifts of services or property could be accepted as well.

The Board could enter into contracts or agreements with other public or private nonprofit entities to conduct studies as required by the provisions of this act.

The Federal agencies are authorized and directed to make available to the Board whatever services or information the Board requests, insofar as practicable.

The Chairman and members of the Board would be compensated, respectively, at levels 3 and 4 of the executive pay schedule.

The Board would have subpena powers, and the right to hold hearings. Those who conducted experiments and failed to respond to the Board could be held in contempt of court.

The Board would establish national guidelines for human experimentation in those projects financed by Federal funds. Any experiment could be reviewed in its formulative stages to insure its compliance with the guidelines.

Where experiments already underway are found not to comply with established guidelines, the Board could obtain an injunction to discontinue the experiment and could compensate any victims of the experiment.

The Board would submit an annual report to the President which would be transmitted to the Congress with recommendations regarding legislation.

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

S. 935. A bill to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes. Referred, by unanimous consent, to the Committee on Interior and Insular Affairs provided that the Committee on Commerce may, at its option, subsequent to reporting by the Committee on Interior and Insular Affairs, request referral of the bill for a period not to exceed 45 calendar days, excluding any lengthy period in which the Congress is not in session.

Mr. JACKSON. Mr. President, for myself and the senior Senator from Arizona (Mr. FANNIN), I introduce, by request, a bill submitted by the Secretary of the Interior to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes. This bill is known as the Electric Facilities Siting Act of 1973.

This bill was submitted as part of the President's program on the environment and energy.

Mr. President, I have discussed this matter with my distinguished colleague from the State of Washington (Mr. MAGNUSON), the chairman of the Committee on Commerce, and he has agreed that the Committee on Interior and Insular Affairs, which is currently conducting the Senate's study of national fuels and energy policy should begin early consideration of this legislation in connection with the Interior Committee's consideration of general energy facilities siting legislation. As the Members of the Senate will recall, under Senate Resolution 45 of the 92d Congress, the Committees on Commerce, Public Works, and the Senate members of the Joint Commitee on Atomic Energy, participate with the Committee on Interior and Insular Affairs in our study.

I ask unanimous consent that the bill be referred to the Interior Committee provided that the Commerce Committee may, at its option, subsequent to reporting by the Interior Committee, request referral of the bill for a period not to exceed 45 calendar days, excluding any lengthy period in which the Congress is not in session.

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

Mr. JACKSON. Mr. President, as Members of the Senate know, the Commerce Committee has major jurisdiction over energy matters and is actively pursuing several legislative initiatives; it is in the spirit of cooperation and coordination, and in the interest of expediting Senate consideration of critical energy matters that we have entered into this agreement.

Mr. President, I ask unanimous consent that the text of the letter from the Secretary of the Interior accompanying the proposed legislation be printed in the RECORD at this point in my remarks.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., February 15, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with today's Presidential Message on the Environment, I am enclosing our proposed Electric Facilities Siting Act of 1973, which we recommend be enacted.

The bill addresses the increasingly serious problem of accommodating protection of the environment and expanding demand for electric power. Meeting future power requirements will mean building a substantial number of major new electric generation and transmission facilities. We currently estimate, for example, that between now and 1990 more than 300 new generating plants of the size covered by the bill (300 megawatts or more) will be required to meet power demands at projected rates of development. In siting major generation or transmission facilities, significant environmental problems may occur. Experience indicates that these problems can be extremely serious unless plans are made long in advance of proposed construction and are thoroughly considered by the public and affected governmental agencies. Also needed is complete public and governmental review of the facilities themselves and related sites beginning several years in advance of construction.

The bill requires all utilities to undertake long-range (10 years) planning for electric facilities, giving the public and governmental agencies full opportunity to review and comment on the plans developed. It requires utilities to apply for approval of particular electric facility sites 3 to 5 years before construction begins. For non-Federal electric utilities, application is made to a State certifying agency, which the bill calls on each State to designate. For Federal utilities, the Secretary of the Interior serves as the certifying agency. Other necessary Federal authorizations are obtained for both Federal and non-Federal utilities by applying to the appropriate Federal agencies through a new Federal Electric Facilities Siting Panel, of which the Secretary of the Interior is chairman. The Panel is responsible for coordinating and expediting Federal reviews and for developing, with the certifying agencies, consolidated procedures and forms to be used in applying for sites.

The bill is based in substantial measure on the power plant siting legislation which the Administration proposed to the 92d Congress, but it makes a number of changes which further consideration and subsequent events indicate will improve it. It requires all governmental action on siting applications—Federal, State and local—to be completed within eighteen months of the date of application. It consolidates procedures for compliance with the National environmental Policy Act so that one—and only one—environmental impact statement is prepared. The statement would be prepared by the certifying agency with full participation by those affected, including other Federal, State and local agencies, and it would be used by all agencies in making decisions subject to their jurisdiction.

Unless we act promptly, the problems we have been facing in locating electric facilities will become much worse. Because I am convinced that it will best serve the dual purposes of protecting environmental values while assuring an adequate supply of electricity, I urge the Congress to enact the enclosed legislation.

The Office of Management and Budget advises that enactment of this legislation would be in accord with the President's program.

Sincerely yours,

ROGERS C. B. MORTON,
Secretary of the Interior.

By Mr. ROBERT C. BYRD:

S. 936. A bill to amend chapter 9 of title 5 of the United States Code with respect to executive reorganizations in order to provide the Congress with an opportunity for more adequate consideration of executive reorganization plans of such chapter, and for other purposes. Referred to the Committee on Government Operations.

Mr. ROBERT C. BYRD. Mr. President, during the past few weeks, I have introduced a series of bills and amendments aimed at regaining congressional power over the administrative arm of the Federal Government.

In January, when the joint resolution came over from the House extending the time for the President's submission of the 1974 budget, I offered an amendment to that resolution to require the submission of information by the executive branch concerning impoundments made during the period dating from June 30, 1972 to January 29, 1973, which amendment was further amended to extend that period to February 10, 1973.

On January 23, I introduced S. 516, a bill to require Senate reconfirmation of the Director of the Federal Bureau of Investigation every 4 years.

On February 2, I offered an amendment to S. 518, a bill requiring Senate confirmation of the Director and Deputy Director of the Office of Management and Budget, making such confirmation necessary every 4 years. My amendment was adopted and such language is in the bill that passed the Senate on February 5.

Subsequently, I introduced S. 755, a bill which would require Senate reconfirmation of the heads of the executive departments every 4 years.

All of these bills are attempts at regaining some of the leverage necessary for the Congress to exert its proper influence on the actions of the executive branch.

The legislation I offer today will open up for discussion on the floors of Congress the merits of the executive reorganizations as they occur. I feel that it is important that the Congress approve reorganization plans on the basis of their merit and after full debate, not just allow them to go into effect if either House of the Congress does not take formal action to disapprove them.

Therefore, I introduce today a bill to amend chapter 9 of title 5 of the United States Code with respect to executive reorganizations. Its purpose is to revise the present statutory scheme to insure that organizational changes proposed by the executive are examined, debated, and positively acted upon by the Congress. At present, rejection of a proposed reorganization plan is effected by way of a disapproving resolution by either House of Congress. In practical terms, this leaves the entire matter of administrative reorganization largely in the executive since inaction by Congress insures implementation of the plan. I may note that since 1963, only one of 23 plans submitted by the executive has been rejected by Congress.

Briefly, my bill would modify the current scheme in three vital respects. First, and most importantly, a proposed reorganization plan would become effective only upon a majority vote of both Houses adoptive of a concurrent resolution approving the plan. Second, the President would be required to advise the Congress at the time he submits his annual budget message of any reorganization plans then under study or consideration, however tentative. Third, not less than 30 days prior to the date on which the President is to submit a reorganization plan to the Congress, the President would have to notify the President of the Senate and the Speaker of the House that he intends to submit such a plan, together with a statement of the purpose of the plan and the substance of the proposed reorganization.

Each of these features is intended to provide the Congress with adequate time to investigate the substance of a particular reorganization plan and to insure full and open debate. Further, to prevent defeat of proposals by simple inaction by the Congress, the bill requires committee action and a report, and makes the matter privileged.

I believe that my bill is a major step toward recovering some of the initiative the legislative branch has lost to the executive. It will aid in restoring to Congress its responsibility for discharging the duty of overseeing the conduct of the executive departments. It will strengthen the authority of the Congress over the administrative bureaucracy in the face of the increasing executive encroachment on Congress's constitutional authority. And it will, through its provision for affirmative approval of plans, safeguard against ill-considered and hasty action by the executive and default approval by a busy or an apathetic Congress.

Congressional control and oversight of the executive departments and agencies constitute one of our most important functions. It is the means by which the Congress is assured that its policies are being faithfully carried out, by which it may hold executive officers to an accounting for their stewardship, and by which it learns the effects of legislative policies and is thus able to make necessary statutory revisions. I believe that the bill which I introduced today will go a long way toward accomplishment of

these objectives, and I hope that it will receive early and favorable consideration by the Senate.

Mr. President, I ask unanimous consent to have the text of the bill printed in full at this point in the RECORD.

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

S. 936

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 "Executive Reorganization Improvement Act of 1973".

SEC. 2. Section 905 of title 5, United States Code, is amended by striking out "April 1, 1973" and inserting in lieu thereof "April 1, 1975".

SEC. 3. (a) Chapter 9 of title 5, United States Code, is amended by inserting immediately after section 905 the following new section:

"§ 906. Notice of intended reorganization plans

"(a) The President shall transmit to the Congress, as part of his budget message required under section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, a summary of reorganization plans which the President intends to submit under this chapter during the ensuing fiscal year for which that budget is submitted, together with a general description of the areas to be affected by any such reorganization plan.

"(b) In order to provide an opportunity for the Congress to propose modifications and amendments in any reorganization plan proposed to be submitted under this chapter, not less than thirty days prior to the date on which a reorganization plan is to be submitted to the Congress under this chapter, the President shall notify the President of the Senate and the Speaker of the House of Representatives that he intends to submit such a plan, which notice shall include a statement of the purposes of that plan and the substance of the proposed reorganization."

(b) Section 903(a) of title 5, United States Code, is amended by striking out "Whenever" and inserting in lieu thereof "Subject to the provisions of section 906, whenever".

SEC. 4. Sections 906, 907, 908, 909, 910, 911, 912, and 913 of title 5, United States Code, and all references thereto, are redesignated as sections 907, 908, 909, 910, 911, 912, 913, and 914, respectively.

SEC. 5. Section 907(a) of title 5, United States Code (as redesignated by section 4 of this Act), is amended to read as follows:

"(a) Except as otherwise provided under subsection (c) of this section, a reorganization plan is effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan is transmitted to it if, between the date of transmittal and the end of the sixty-day period, the two Houses pass a concurrent resolution stating in substance that the Congress favors the reorganization plan."

SEC. 6. Section 909 of title 5, United States Code (as redesignated by section 4 of this Act), is amended by striking out "Sections 909–913" and inserting in lieu thereof "Sections 910–915".

SEC. 7. Section 910 of title 5, United States Code (as redesignated by section 4 of this Act), is amended to read as follows:

"§ 910. Terms of resolution

"For the purpose of sections 909–915 of this title, 'resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress of the United States favors the reorganization plan numbered — transmitted to the Congress by the President on _____ __, 19__.' The blank spaces therein are to be appropriately filled. The term does not include a resolution which specifies more than one reorganization plan."

SEC. 8. (a) Section 912(a) of title 5, United States Code (as redesignated by section 4 of this Act), is amended by inserting: "(or, in the case of a resolution received from the other House, twenty calendar days after its receipt)," immediately after the word "introduction".

(b) Section 912 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) If, on the fiftieth day after the date on which a reorganization plan was transmitted to the Congress, the committee to which a resolution with respect to that plan has been referred has not reported it, or has not been discharged from further consideration of the resolution under subsection (a) of this section, the committee shall be automatically discharged from further consideration of that resolution, except that whenever more than one resolution with respect to a reorganization plan has been introduced, the committee shall be discharged of the resolution first introduced."

SEC. 9. Chapter 9 of title 5, United States Code, is further amended by adding at the end thereof the following new section:

"§ 915. Procedure after one House receives a resolution from the other House

"If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then the following procedure applies:

"(1) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 912(a)) be made the subject of a motion to discharge.

"(2) If a resolution of the first House with respect to such plan has been referred to committee—

"(A) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

"(B) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House."

SEC. 10. The analysis of chapter 9 of title 5, United States Code, is amended—

(1) inserting immediately after item "905" the following:

"906. Notice of intended reorganization plans.";

(2) by striking out "906" and inserting in lieu thereof "907";

(3) by striking out "907" and inserting in lieu thereof "908";

(4) by striking out "908" and inserting in lieu thereof "909";

(5) by striking out "909" and inserting in lieu thereof "910";

(6) by striking out "910" and inserting in lieu thereof "911";

(7) by striking out "911" and inserting in lieu thereof "912.";

(8) by striking out "912" and inserting in lieu thereof "913";

(9) by striking out "913" and inserting in lieu thereof "914"; and

(10) by adding at the end thereof the following new item:

"915. Procedure after one House receives a resolution from the other House.".

SEC. 11. The amendments made by this Act shall apply with respect to reorganization plans submitted after the date of enactment of this Act. The amendments made by sections 5, 7, 8, and 9 of this Act shall also apply to any reorganization plan which has been submitted to the Congress and has not been acted upon pursuant to chapter 9 of title 5, United States Code, prior to the date of enactment of this Act. Each such plan, if any, shall be deemed to have been submitted to the Congress on the date of enactment of this Act.

By Mr. THURMOND:

S. 937. A bill to amend title 37, United States Code, to provide an incentive plan for participation in the Ready Reserve. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, in a time of peace and greater dependency upon Reserve and Guard Forces it is more important than ever to enact laws which will help insure the strength of our military units.

Therefore, I am introducing today a bill which would provide bonuses to encourage participation in the Ready Reserve and National Guard. This legislation offers cash inducements for reservists who reenlist for at least 3 years following their first 6 years of reserve or guard duty. It also provides a bonus for a member of the regular forces if he elects to enlist in the reserves following his 2 years of active duty.

At present, upon reenlistment in the Regular Army, a bonus is given to those who have acquired specific skills while in the Armed Forces. This bonus serves as a realistic incentive for servicemen to remain in the Armed Forces. However, there is no such bonus offered to reservists, although recent surveys show only a small percent of enlisted Reserves reenlist after their first tour of duty. The low reenlistment rates are reflected by the latest compilations by the various reserve and guard units. Reenlistment rates of all enlisted first termers under the present 6-year service requirement are as follows:

[In percent]

Naval Reserve	15
Army National Guard	13
Air National Guard	11
Army Reserve	8
Air Force Reserve	4
Marine Corps Reserve	3

Mr. President, because the retention of high-quality enlisted personnel is of the utmost importance, I believe that unless more definite incentives are provided the Reserves and National Guard, the United States may reach a dangerously low level of personnel strength in these two vital elements of our national defense structure.

This bill would give those qualifying a $1,000 bonus upon reenlistment and $200 at the end of each of the 3 reenlistment years. The present cost of filling a vacancy with a new trainee, on the other hand, is between $2,400 and $4,000.

Thus, a reenlistment bonus such as the one proposed would not only create an incentive for Reserve reenlistments, but also effect significant savings to the Government.

As the United States moves toward a peacetime armed service, the Nation must provide more inducements if military personnel strength is to be maintained at even minimum levels. Passage of this bill is important if we are to start making a career in the armed services equivalent to a career in the other sectors of our economy.

Mr. President, I introduce this bill for appropriate reference and ask unanimous consent that it be printed in the RECORD.

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

S. 937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended as follows:

(1) By adding the following new item at the end of the chapter analysis:

"313. Special pay: participation in Ready Reserve."

(2) By adding the following new section at the end thereof:

"§ 313. Special pay: participation in Ready Reserve

"(a) An enlisted member of a Reserve component who—

"(1) has completed a total of at least two years of active duty, or a total of at least six years of service, in one or more of the armed services;

"(2) is accepted for enlistment, reenlistment, or extension of enlistment in a Reserve component, in a pay grade above E–2, for a period of at least three years; and

"(3) agrees to remain in the Ready Reserve for a corresponding period and to perform such drills or other duty as may be prescribed;

is entitled to special pay computed under subsection (b).

"(b) The amount of special pay to which a person covered by subsection (a) is entitled is—

"(1) $1,000 upon reenlistment or extension of his enlistment;

"(2) $200 upon completing each year under that reenlistment or extension of enlistment of satisfactory participation in the program prescribed for his Reserve assignment, as determined by the Secretary concerned.

However, no member is entitled to incentive pay for any year of satisfactory performance that ends after he has completed twenty years of service computed under section 1332 of title 10.

"(c) The special pay authorized by this section is in addition to any other basic pay, special pay, incentive pay, or allowance to which the member concerned is entitled.

"(d) A member who voluntarily, or because of his misconduct, does not complete the first year of service under his reenlistment or extension of enlistment for which he was paid under subsection (b)(1) shall refund that percentage of the amount that the unexpired part of that year bears to the entire year for which the amount was paid.

"(e) This section shall be administered under regulations prescribed by the Secretary of Defense for the uniformed services under his jurisdiction, and by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy."

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

S. 938. A bill to provide for the addition of certain eastern national forest lands to the National Wilderness Preservation System, to amend section 3(b) of the Wilderness Act, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, for myself and the senior Senator from the State of Arizona (Mr. FANNIN), I introduce by request a bill submitted by the Secretary of Agriculture to provide for the addition of certain eastern national forest lands to the National Wilderness Preservation System; to amend section 3(b) of the Wilderness Act, and for other purposes.

Mr. President, earlier this year I, along with several of my colleagues, introduced S. 316, a measure to expand the wilderness preservation system to include more areas in the Eastern United States. I am pleased that the administration has submitted their bill which I hope will be useful in preserving many of these areas for the use and benefit of the American people for generations to come.

I ask unanimous consent that the letter from the Department of Agriculture accompanying this proposed legislation be printed in the RECORD at this point in my remarks.

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

DEPARTMENT OF AGRICULTURE,
Office of the Secretary,
Washington, D.C.

Hon. SPIRO T. AGNEW,
President of the Senate.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of the Congress is a draft bill "To provide for the addition of certain eastern national forest lands to the National Wilderness Preservation System, to amend Section 3(b) of the Wilderness Act, and for other purposes."

The Department of Agriculture strongly recommends that the draft legislation be enacted by the Congress.

This proposed draft legislation, the Eastern Wilderness Amendments of 1973, would provide a means for supplementing the National Wilderness Preservation System within National Forests east of the one hundredth meridian. It would permit inclusion in the Wilderness System certain National Forest lands in the eastern United States which were once significantly affected by man's works, but where the imprint of man's work is substantially erased, and which have generally reverted to a natural appearance.

The Act would also specifically provide for the review of fifty-three listed areas for possible addition to the System. With respect to approximately one-fourth of these fifty-three "study" areas, the Forest Service has completed many of the studies and procedures needed to make specific recommendations on their suitability for inclusion in the Wilderness System. We believe analyses and interagency reviews of these areas should be at least analogous to those contemplated for National Forest Primitive Areas by the Wilderness Act. We expect to complete this review process soon and will be in a position to present further recommendations in the near future.

The Act would further provide that all National Forest System units east of the one hundredth meridian would be generally managed in accordance with the provisions of the Wilderness Act. Notable exceptions would be that the condemnation limitation of the Wilderness Act would not apply to eastern units, all Federal lands within such units would be withdrawn from appropriation or disposition under the mining and mineral leasing laws, and commercial grazing would not be permitted in such units. Although the need for acquisition of private lands in eastern National Forests results from fragmented ownership patterns, we intend to use the condemnation authority sparingly.

In his February 8, 1972, message on the environment, President Nixon highlighted the unequal distribution of wilderness units throughout the Nation. The President directed the Secretaries of Agriculture and the Interior to accelerate identification of areas in the eastern United States having wilderness potential.

In response to this directive, the Forest Service has invited public input on several alternative ways of meeting eastern needs for areas such as those included in the National Wilderness Preservation System. A series of public listening sessions was held in 21 eastern states in the summer of 1972, to discuss the issues raised by these alternatives. This proposed legislation represents an assessment of the input from those meetings and recommendations to further the President's directive.

An environmental statement is being prepared pursuant to the provisions of subsection 102(2)(c) of the National Environmental Policy Act (83 Stat. 853), and will be transmitted as soon as it is available.

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

The Office of Management and Budget advises that the submission of this proposed legislation is in accord with the program of the President.

Sincerely,

EARL L. BUTZ,
Secretary of Agriculture.

By Mr. RIBICOFF:

S. 942. A bill to transfer and reorganize all existing law-enforcement functions of the Federal Government related to trafficking in narcotics and dangerous drugs in a Division of Narcotics and Dangerous Drugs established in the Federal Bureau of Investigation. Referred to the Committee on Government Operations.

THE FBI SHOULD TAKE OVER ALL FEDERAL DRUG LAW ENFORCEMENT

Mr. RIBICOFF. Mr. President, I introduce a bill for appropriate reference to transfer and reorganize the widely scattered Federal law-enforcement programs related to trafficking in narcotics and dangerous drugs into a single new division of the Federal Bureau of Investigation.

Since 1969, Federal law-enforcement efforts aimed at curbing the supply of heroin and other narcotic and dangerous drugs have mushroomed at a rate rivaling the growth of the drug crisis itself. A sevenfold increase in Federal funding, from $36 million in 1969 to $257 million proposed in 1974, has served to perpetuate, proliferate, and magnify a disorganized Federal response to the Nation's No. 1 law-enforcement problem.

As difficult as it is to come to grips with the drug crisis, it is even more difficult to get an accurate count of the number of law-enforcement programs the Federal Government has established to meet the crisis. A special analysis of the fiscal 1974 budget related to drug abuse control, prepared by the Office of Management and Budget, places the number at nine. A recent study prepared by the Library of Congress describes 13 such drug law-enforcement programs.

The number of programs would not be an issue if the end result was an efficient,

well-coordinated, highly effective enforcement effort which was succeeding in eradicating the scourge of heroin and other deadly and dangerous drugs. However, the very opposite is the case. No one has stated the problem more precisely than President Nixon himself when, in a related context, he declared:

At present, there are nine federal agencies involved in one fashion or another with the problem of drug addiction. In this manner our efforts have been fragmented through competing priorities, lack of communication, multiple authority, and limited and dispersed resources. The magnitude and severity of the present threat will no longer permit this piecemeal and bureaucratically dispersed effort at drug control.

The most disturbing element in the entire Federal drug law enforcement picture is the sharp rivalry and often bitter feuding between the Nation's two major enforcement agencies—the Bureau of Narcotics and Dangerous Drugs in the Justice Department and the narcotics component of the Customs Bureau in the Treasury Department. A recent GAO report on the heroin-smuggling problem in New York City said the problems between BNDD and Customs "include failing to share intelligence or other information, untimely notice of arrest or seizure, lack of communications, misunderstandings, and personality conflicts."

The report concluded:

Cooperation and coordination between law enforcement agencies are vital in the government's battle against heroin trafficking. To the extent that cooperation is not fully realized, the government's effort is impeded. The mere existence of overlapping jurisdiction is always a threat to cooperative efforts. Sometimes, as has been the case with these two agencies, the threat becomes actual.

The GAO findings are supported by a task force report sponsored by the criminal law section of the American Bar Association and the Drug Abuse Council. Reporting that "friction, confusion, and jealousies" have arisen between BNDD and Custom agents, the task force concluded:

The long-standing jurisdictional dispute between BNDD and the Bureau of Customs has not been settled. Resolution of this problem is essential to the effective planning and execution of a joint narcotics investigation involving these two agencies. Because numerous proclamations and policy statements have failed to alleviate this problem, other actions are necessary.

My own investigation of the problem—which will be further developed and fully aired during the course of hearings I will hold as chairman of the Subcommittee on Reorganization, Research, and International Organizations—reveals a situation which amounts to nothing less than a national tragedy.

The rivalry between BNDD and Customs which, under controlled circumstances, might take the form of healthy competition and better detective work by each agency, instead has often degenerated into uncontrolled bitter feuding and the actual sabotaging of each other's investigations. Major cases, involving millions of dollars in smuggled heroin and some of the biggest traffickers, are rife with reports of BNDD and Customs agents spying on one another, prematurely seizing the other's evidence, arresting the other's informants, kidnaping the other's witnesses—all for the purpose of seeking credit for the "big bust."

One high BNDD official has estimated that about 2 dozen major cases a year—or about 20 percent of the major narcotics caseload—have been adversely affected by the BNDD-Customs rivalry, with some of these cases being blown altogether.

The problem is perhaps worst in New York City, the site of some of the largest heroin convoy cases.

A convoy involves allowing an illicit drug shipment to pass into the country—rather than seizing it at the border and arresting the low-level courier, or "mule"—in the hope of following the shipment and arresting the major trafficker for whom it is destined.

The situation has required the personal intervention of President Nixon, who, in July 1971, issued detailed guidelines to BNDD and Customs agents in the hope of resolving their jurisdictional dispute. Basically, the guidelines gave BNDD primary jurisdiction in both domestic and overseas investigations—even in convoy cases as they crossed Customs lines at ports and borders—and required that jurisdictional disputes be settled by the Attorney General. But Customs was still permitted to initiate smuggling investigations, and with additional Customs agents stationed abroad under guidelines issued in July 1972 the jurisdictional lines have remained blurred.

There is no better evidence of the depth and bitterness of the BNDD-Customs rivalry than in the incredible detail and intricacy of the guidelines themselves. The document is more reminiscent of a cease-fire agreement between combatants than a working agreement between supposedly cooperative agencies. I ask unanimous consent that the guidelines be printed in the RECORD at the conclusion of my remarks.

To make matters worse, the feuding between BNDD and Customs in New York has spread to the Southern and Eastern Districts of the U.S. Attorney's office. I have been informed that Assistant Attorney General Henry E. Peterson, chief of the criminal division, is currently investigating the consequences of an apparent alliance of the southern district with BNDD and of the eastern district with Customs. Among the incidents under investigation are arrests of each other's informants and a possible shootout involving rival undercover agents who were uninformed of each other's participation in the same case.

The bill I introduce today—the Federal Narcotics and Drug Abuse Law Enforcement Reorganization Act of 1973—seeks to put an end to this dangerous rivalry, as well as to penetrate the bureaucratic morass that generally plagues Federal narcotics law enforcement. It seeks to assure once and for all that Federal agents and other employees will not be pushing papers while criminals remain free to push drugs.

The bill places total responsibility for enforcement of the Federal drug laws in the one agency which, incredibly, has never exercised drug jurisdiction, but which surely has the potential to handle it; namely, the Federal Bureau of Investigation.

A new Division of Narcotics and Dangerous Drugs would be established in the FBI. The division would be preeminent among the FBI's other divisions by being placed under the supervision of an associate director and two assistant directors, rather than under the supervision of a single assistant director, as is the case for the other divisions.

The Associate Director for Narcotics and Dangerous Drugs, as his title implies, would be responsible for the full spectrum of the drug enforcement problem—dealing both with trafficking in narcotics, or such "hard drugs" as heroin and cocaine, and in dangerous drugs, including such "soft drugs" as amphetamines and barbiturates which pose an increasing problem of abuse, especially among teenagers.

At present, most Federal enforcement efforts are aimed at hard drugs. To assure that soft drugs receive greater enforcement priority, the new division's operations would be geared to the jurisdictions assigned to each of the assistant directors—one with the title of Assistant Director for Narcotics, the other with the title of Assistant Director for Dangerous Drugs.

The new division would be built from the manpower and other resources of the narcotics component of the Office of Investigations of the Customs Bureau, which would be transferred from the Treasury Department to the Justice Department, and of the BNDD, jurisdiction over which would be delegated to the FBI within the Justice Department by the Attorney General. Customs would retain its investigations arm for all other forms of smuggling but drugs. The Attorney General, in consultation with the FBI Director, would establish standards and procedures for the selection of customs and BNDD agents, all of whom are civil service appointees, to be brought into the non-civil service FBI. Transferred agents would retain their present civil service status for at least 1 year, and those not selected for transfer would remain either in Treasury or Justice in the same civil service grade for at least 1 year.

The bill provides for other drug enforcement operations currently within Justice to be delegated wholly to the FBI by the Attorney General—namely, ONNI, the aforementioned intelligence unit, and DALE, the Office of Drug Abuse Law Enforcement, which has used BNDD and customs agents in a Federal assault against street-level heroin pushers. Also, the drug-related functions of LEAA, the Law Enforcement Assistance Administration—primarily in the form of block grants to State and local police for the establishment of narcotics units—would be coordinated in Justice by the Attorney General through the new drug division of the FBI.

The bill also provides for coordination by the President, after consultation with the Attorney General, of all other efforts related to drug law enforcement wherever they may be found in the Federal bureaucracy. These include such diverse efforts as the antismuggling operations of the Border Patrol—in the Immigration and Naturalization Service of Justice—

and of the Coast Guard and the Federal Aviation Administration—each in the Transportation Department—the technical assistance for better narcotics enforcement provided to foreign governments by the Agency for International Development—in the State Department—the tax investigations of major suspected drug traffickers by the Internal Revenue Service—in the Treasury Department—and information gathering on the international narcotics traffic by military intelligence—in the Defense Department—and by the Central Intelligence Agency.

Thus, for the first time all Federal activities related to combating traffic in illicit drugs would be subject to basic policy coordination by a single law enforcement agency. To facilitate such coordination, the bill would establish a Policy Committee on Narcotics and Dangerous Drugs, comprised of the heads of all departments and agencies and their subdivisions which would be subject to the policy directives in the new integrated Federal Drug Enforcement System. The Attorney General would be Chairman of the Committee, and the Director of the FBI and the Associate Director for Narcotics and Dangerous Drugs would be vice chairman and executive director respectively. The committee would replace the Cabinet Committee on International Narcotics Control, chaired by the Secretary of State.

The chaos resulting from our present efforts to enforce the laws against trafficking in narcotics poses a major threat to our national well-being. The President has called the drug problem "public enemy No. 1." I agree. I hope that he agrees with me that now is the time to assign responsibility for it to the Nation's No. 1 law enforcement agency—the FBI.

It is an anachronism for the FBI—the Nation's most highly esteemed, generously funded, and most resourceful law enforcement agency—not to be engaged in combating the most widespread and dangerous crime problem of our day. Such a situation represents an imbalance in our law enforcement priorities and has resulted in the fragmented, fractious enforcement of drug laws by other Federal agencies.

I submit that infusion into the FBI of the best in manpower and expertise from BNDD and Customs will result in a more effective and relevant FBI.

Surely the FBI already has much to bring to narcotics enforcement. Its expertise in surveillance and wiretapping, its superb laboratory and identification resources, and its vast experience in combating organized crime, well equip it to go after the major international traffickers. One prominent Federal law enforcement official has advised me that about 60 percent of the hard drugs moved in New York is controlled by organized crime. It is time that the FBI be brought into this battle.

It should be noted that FBI Director-Designate Patrick Gray III, appears to have made a first step in this direction. Last August he initiated a new procedure whereby FBI agents now specifically debrief their informants on drug matters and pass on such intelligence to BNDD, Customs, and ONNI agents. Previously, FBI agents did not actively seek narcotics intelligence from their informants. Although Mr. Gray has repeatedly asserted the FBI's lack of narcotics jurisdiction, he also has expressed a very definite interest in drug abuse. I hope now that he has been nominated Director, subject to Senate confirmation, he will advocate an active, primary role for the FBI in this field. Surely, his views on drug enforcement should be a matter of interest and concern to the Senate.

My remarks are not intended to demean the often heroic efforts of BNDD and Customs agents in their fight to bring major traffickers to justice. They have had some enormous successes, as the convictions in recent major cases attest. But their competitiveness and esprit de corps often prove counterproductive, even in these major cases, which could have been even more successful in terms of traffickers arrested and drugs seized, had the BNDD and Customs agents worked harmoniously. My bill would offer them the opportunity to make peace between themselves and to broaden the war effort against traffickers.

The hearings I plan on this bill will carefully explore the need to reorganize drug law enforcement, and I am confident that the subcommittee and the parent Committee on Government Operations will produce a reorganization bill that will not only serve the best interests of all agencies but of the American people as well.

I ask unanimous consent that the following materials be printed in the RECORD at the conclusion of my remarks: an article from the June 1972 issue of Washington Monthly magazine describing enforcement problems stemming from the BNDD-Customs rivalry; an article from the January 3, 1973 issue of New Yorker magazine describing the role of organized crime in the New York narcotics traffic; the Presidential directive and guidelines of July 2, 1971 which sought to end the BNDD-Customs dispute; followup guidelines issued in the form of a State Department telegram to numerous missions on July 26, 1972; excerpts from Special Budget Analysis R of the Office of Management and Budget describing Federal law enforcement programs, and excerpts from a Library of Congress survey of Federal drug abuse programs dealing with drug law enforcement programs.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

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

S. 942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Narcotics and Drug Abuse Law Enforcement Reorganization Act of 1973."

DEFINITIONS

SEC. 2. (a) As used in this Act:

(1) The term "narcotics and dangerous drugs" means controlled substances as defined in Sections 101, 201 and 202 of the Controlled Substances Act.

(2) The term "function" means power and duty; transfer of a function, under any provision of law, of an agency or the head of a department shall also be a transfer of all functions under such law which are exercised by any office or officer of such agency or department.

FINDINGS AND DECLARATION OF POLICY

SEC. 3. (a) The Congress hereby finds and declares—

(1) that the proliferation of narcotics and dangerous drugs is the Nation's number one law enforcement problem;

(2) that the enforcement of laws related to narcotics and drug abuse is scattered widely throughout several Federal departments and agencies;

(3) that overlapping jurisdictions, failure to share intelligence and other information, general lack of communication and cooperation, and counterproductive rivalries and competitiveness among law enforcement agencies have resulted from this diffusion of efforts within the Federal government against trafficking in narcotics and dangerous drugs;

(4) that many Americans are needlessly subjected to narcotics addiction, drug abuse and to drug-related crimes because of the breakdown in coordination among Federal law enforcement agencies;

(5) that the Federal Bureau of Investigation is the preeminent Federal law enforcement agency as a result of its extensive manpower, laboratory, intelligence and investigative resources, and because of the high esteem in which it is held by many Americans for its efforts against organized crime, internal subversion and other criminal assaults against the Nation;

(6) that the Federal Bureau of Investigation has never exercised jurisdiction in the area of narcotics and drug abuse law enforcement;

(7) that effective narcotics and drug abuse law enforcement requires establishment of a new division of the Federal Bureau of Investigation with jurisdiction to integrate enforcement of all Federal narcotics and drug abuse laws which is now exercised by other agencies, and to issue policy directives governing the continued law enforcement functions of certain agencies as provided in this Reorganization Act, related to narcotics and dangerous drugs;

(8) that the Federal Bureau of Investigation, through the new division established in this Reorganization Act, integrate the best of the manpower and expertise that has been developed by other federal agencies in building its own capability to deal effectively with all aspects of the narcotics and drug enforcement problem, including combatting international and domestic trafficking, improving the quality of state and local enforcement of narcotics and dangerous drug laws, and eradicating narcotics and drug-related corruption at all enforcement levels.

TRANSFER OF FUNCTIONS FROM TREASURY DEPARTMENT

SEC. 4. (a) There are hereby transferred to the Attorney General—

(1) All functions of the Secretary of the Treasury which are administered through or with respect to the Bureau of Customs (also hereinafter referred to as the "Customs Service") and which involve investigations by its Office of Investigation (Reorganization Plan Number 1 of 1965; 30 Fed. Reg. 7035) leading to seizures and arrests for violations of any Federal law of the United States relating to trafficking in narcotics and dangerous drugs.

(2) all other functions of the Customs Service and the Commissioner of Customs determined by the Director of the Office of Management and Budget to be directly related to functions transferred by paragraph (1) of this section. Nothing in this section shall be construed (A) to preclude the Customs Service from conducting investigations,

making seizures and arrests related to smuggling of contraband other than narcotics and dangerous drugs (B) to make seizures and arrests based on chance discovery of narcotics and dangerous drugs during actual passage as undeclared merchandise or contraband, through customs lines, or (C) to make seizures and arrests related to narcotics and dangerous drugs at the direction of the Attorney General as provided in section 5(b) of this Reorganization Act.

TRANSFER OF FUNCTIONS FROM STATE DEPARTMENT

SEC. 5. (a) There is hereby transferred to the Attorney General all functions of the Secretary of State which are administered through or with respect to the Cabinet Committee on International Narcotics Control.

(b) There are hereby transferred to the Department of Justice all of the positions, personnel, property, records and other funds, available or to be made available, of the Cabinet Committee on International Narcotics Control.

(c) the Attorney General shall make such provisions as he may deem necessary with respect to terminating the affairs of the Cabinet Committee on International Narcotics Control not otherwise provided for in this Reorganization Act.

(d) the Cabinet Committee on International Narcotics Control is hereby abolished and replaced by the Policy Committee on Narcotics and Dangerous Drugs, as provided in section 13 of this Reorganization Act.

DIVISION OF NARCOTICS AND DANGEROUS DRUGS

SEC. 6. (a) There is established in the Department of Justice a new division of the Federal Bureau of Investigation which shall be known as the Division of Narcotics and Dangerous Drugs (hereinafter referred to as the "Division").

(b) All functions transferred to the Attorney General pursuant to the Act shall be delegated to the Director of the Federal Bureau of Investigation. All functions delegated to the Director of the Federal Bureau of Investigation by the Attorney General pursuant to the Act shall be administered through the Division.

(c) The Division shall be headed by an Associate Director for Narcotics and Dangerous Drugs of the Federal Bureau of Investigation who shall be appointed by the Attorney General. In addition to the functions authorized in this Reorganization Act the Associate Director of Narcotics and Dangerous Drugs shall perform such other duties as the Attorney General shall delegate.

(d) There are hereby established in the Division, in addition to the position established in subsection (c) of this section, two new positions of Assistant Director for Narcotics and Assistant Director for Dangerous Drugs of the Federal Bureau of Investigation, appointments to which shall be made by the Attorney General. Each Assistant Director shall perform such functions as the Attorney General shall delegate.

DELEGATION OF AUTHORITY WITHIN THE JUSTICE DEPARTMENT

SEC. 7. (a) The Attorney General shall delegate authority over functions performed by the Bureau of Narcotics and Dangerous Drugs under Reorganization Plan Number 1 of 1968 to the Director of the Federal Bureau of Investigation.

(b) The Attorney General shall delegate authority over functions performed by the Office of Drug Abuse Law Enforcement under Executive Order 11641 of 1972 (FR Doc. 72–1525) to the Director of the Federal Bureau of Investigation.

(c) The Attorney General shall delegate authority over functions performed by the Office of National Narcotics Intelligence under Executive Order 11676 of 1972 (FR Doc. 72–11930) to the Director of the Federal Bureau of Investigation.

(d) The Attorney General shall assign to the Director of the Federal Bureau of Investigation the positions, personnel, property, records, and unexpended balances of appropriations, allocations and other funds, available or be made available, under terms and conditions that the Attorney General shall designate, (1) of the Bureau of Narcotics and Dangerous Drugs, (2) of the Office of Drug Abuse Law Enforcement and (3) of the Office for National Narcotics Intelligence.

(e) The Bureau of Narcotics and Dangerous Drugs, the Office of Drug Abuse Law Enforcement, and the Office of National Narcotics Intelligence, including the Offices of Directors of each of these agencies, are hereby abolished. The Attorney General shall make such provision as he may deem necessary with respect to terminating the affairs of these agencies not otherwise provided for in the Act.

(f) The Attorney General shall delegate to the Director of the Federal Bureau of Investigation authority over functions performed by the Immigration and Naturalization Service, including functions performed by the Border Patrol, related to trafficking in narcotics and dangerous drugs across the borders of the United States at places other than ports of entry. The Immigration and Naturalization Service, including the Border Patrol, shall perform functions related to enforcement of any law of the United States pertaining to narcotics and dangerous drugs consistent with policy directives that shall be issued from time to time by the Director of the Federal Bureau of Investigation.

(g) The Attorney General shall delegate to the Director of the Federal Bureau of Investigation authority over functions performed by the Law Enforcement Assistance Administration related to the awarding of block grants for the planning, establishment and operation of narcotics and dangerous drug enforcement units at the state and local levels, pursuant to Parts B and C of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (PL 92–351; 82 Stat. 197). The Law Enforcement Assistance Administration shall perform such functions consistent with policy directives that shall be issued from time to time by the Attorney General after consultation with the Director of the Federal Bureau of Investigation.

(h) The Attorney General shall promulgate regulations for the purpose of delegating authority not otherwise provided in this section but necessary for achieving the objectives of this Reorganization Act.

POLICY DIRECTIVES TO THE TRANSPORTATION DEPARTMENT

SEC. 8. The President, after consultation with the Attorney General, shall direct the Secretary of Transportation with respect to the following functions related to trafficking in narcotics and dangerous drugs.

(1) Operations of the Coast Guard in the enforcement of any law of the United States relating to trafficking in narcotics and dangerous drugs.

(2) Operations of the Federal Aviation Administration in the enforcement of any law of the United States relating to trafficking in narcotics and dangerous drugs.

POLICY DIRECTIVES TO THE STATE DEPARTMENT

SEC. 9. (a) The President, after consultation with the Attorney General, shall direct the Secretary of State with respect to the following functions related to trafficking in narcotics and dangerous drugs.

(1) Operations of the Agency for International Development in supplying economic and technical assistance to foreign governments for development of narcotics control programs.

(2) Relations generally with foreign governments for the purpose of coordinating control of international narcotics traffic.

POLICY DIRECTIVES TO THE CENTRAL INTELLIGENCE AGENCY

SEC. 10. (a) The President, after consultation with the Attorney General, shall direct the Director of the Central Intelligence Agency with respect to all of the Director's functions related to trafficking in narcotics and dangerous drugs.

POLICY DIRECTIVES TO THE SECRETARY OF DEFENSE

SEC. 11. (a) The President, after consultation with the Attorney General, shall direct the Secretary of Defense with respect to all of the Secretary's functions related to trafficking in narcotics and dangerous drugs.

POLICY DIRECTIVES TO THE TREASURY DEPARTMENT

SEC. 12. (a) The President, after consultation with the Attorney General, shall direct the Secretary of the Treasury with respect to functions administered through or with respect to the Internal Revenue Service that relate to the trafficking in narcotics and dangerous drugs.

POLICY COMMITTEE ON NARCOTICS AND DANGEROUS DRUGS

SEC. 13. (a) There is established a Policy Committee on Narcotics and Dangerous Drugs.

(b) The Attorney General shall be Chairman of the Committee. The Director of the Federal Bureau of Investigation shall be Vice Chairman of the Committee. The Associate Director for Narcotics and Drug Abuse of the Federal Bureau of Investigation shall be Executive Director of the Committee.

(c) Members of the Committee shall be appointed by the President from all departments and agencies and their subdivisions, which, under the provisions of this Reorganization Act, have functions related to trafficking in narcotics and dangerous drugs and of such other departments and agencies, and their subdivisions, as the President, after consultation with the Attorney General, may subsequently designate.

(d) The Committee shall meet from time to time to expedite and coordinate the policy directives issued by the President after consultation with the Attorney General.

TRANSFER MATTERS

SEC. 14.(a). The Attorney General, in consultation with the Director of the Federal Bureau of Investigation, shall establish standards and procedures for the selection of personnel of the Bureau of Customs in the Treasury Department and of the Bureau of Narcotics and Dangerous Drugs in the Justice Department to be transferred to the Federal Bureau of Investigation in accordance with the provisions of this section. Criteria for such standards and procedures shall reflect consideration of each employee's record in meeting the responsibilities of, and possessing the skills for, effective investigation related to trafficking of narcotics and dangerous drugs. All personnel selected for transfer shall be without reduction in classification or compensation for one year after such transfer, except that the Attorney General shall have full authority to assign personnel during such one year period in order to efficiently carry out functions transferred under this Reorganization Act. After such one-year period the Attorney General, in consultation with the Director, shall establish appropriate status for all transferred personnel within the Federal Bureau of Investigation.

(b) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are transferred under this Act by the Treasury Department and the State Department any functions of which are transferred by this Act; and (2) which are in effect at the time this Act

takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Justice Department, by any court of competent jurisdiction, or by operation of law.

(c) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before any department or agency, functions of which are transferred by this Act; except that such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Justice Department. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Justice Department by a court of competent jurisdiction, or by operation of law.

(d) The provisions of this Act shall not affect suits commenced prior to the date this Act takes effect and in all such suits proceedings shall be had, appeals taken, or judgments rendered, in the same manner and effect as if this Act had not been enacted; except that if before the date on which this Act takes effect, any department or agency (or officer thereof in his official capacity) is a party to a suit involving functions transferred to the Justice Department, then such suit shall be continued by the Justice Department. No cause of action, and no suit, action, or other proceeding, by or against the Treasury Department and the State Department (or officer thereof in his official capacity) functions of which are transferred by this Act shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or the Justice Department as may be appropriate and, in any litigation pending when this Act takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph.

(e) Such further measures and dispositions as the Director of the Office of Management and Budget shall deem to be necessary in order to effectuate the transfers provided in this section shall be carried out in such manner as he may direct and by such agencies as he shall designate.

[From the Washington Monthly, June 1972]

THE AMERICAN CONNECTION

(By John Rothchild and Tom Ricketts)

No matter how well organized they are, we will be better organized.—President Lyndon Johnson, on creating the Bureau of Narcotics and Dangerous Drugs.

The government has made a certain kind of progress in fighting the drug traffic. There was a time when the dope smuggler, making the deal with Frog One, had to worry that a narc might be watching. Now, the smuggler has to consider that a whole trail of narcs—from the Bureau of Narcotics and Dangerous Drugs (BNDD), the Bureau of Customs, the new Special Office of Drug Abuse Law Enforcement, the city police, and the state police—may be strung out behind him, all with steely eyes, shoulder holsters, and ham sandwiches, all ready to move in for the bust.

The dope smuggler might get scared at the prospect of so many agencies watching him, except for one detail. It is more likely that Narc One has an eye on Narc Two, who in turn is tailing Narc Three, and so on down the line. While the match of wits between the law and the drug trafficker is interesting, it is the jostling between the various government agencies along the trail which demands even more cunning, daring, and attention from the aggressive narc. It would be easy enough for a Customs agent to follow a car of junkies to a bust, except when he considers that at any corner an unmarked BNDD car might squeeze in between him and the seizure, or if he realizes that those junkies themselves might be undercover agents, believing him to be the junkie and enticing him into a trap. Such are the perils of the American connection.

Why do so many agencies follow the same drug dealers? In the genius of a multi-agency approach, each has its own reason. The treasury men from the old Bureau of Narcotics used to be there because drugs were a tax problem, while the pill people from the Food and Drug Administration were on the street because drugs were a medical problem. President Johnson abolished these agencies in 1968 and established BNDD, in the Justice Department, with jurisdiction over all drug trafficking, because drugs are primarily a law-enforcement problem. Customs agents from Treasury, meanwhile, continue to search out dope because of their special mandate to attack the drug smuggling problem. The enforcers, therefore, have divided their territory through the dictionary, while the underworld defined its turf with a map.

This means that only one junkie will be there to pick up the drugs, but several enforcers may arrive to pick up the junkie. Such a spectacle can be a show of force, in keeping with President Nixon's declaration that drugs are public enemy number one. It also increases the government's chance of stumbling onto something. Finally, the heroin dealer might wonder if he is actually a smuggler, potential prey for Customs—or a trafficker, grist for the BNDD. Customs and BNDD are wondering, too.

NARC, NARC, WHO'S THERE?

Consider a case still in the works. The BNDD, through its continental network of agents, has enough evidence to convict a major dealer in France and prepares to swoop in. The Bureau of Customs, through one of its couriers, has developed an equally strong case against the same person. Both are feverishly clawing toward him like two lovers on a single strand of spaghetti. A U.S. District Attorney agrees to prosecute both cases, but the BNDD refuses to cooperate unless its indictment is heard first. Meanwhile, the heroin smuggler drops out of sight, and nobody can find him.

In another case, BNDD has been struggling for years to gather enough evidence to bust a major trafficker in a large city. They finally get to his bank account and trace an entire network of buyers and sellers through the withdrawals and deposits. The central trafficker, however, continues to elude the BNDD. Then one day he shows up in a Customs line, coming into the country with heroin packed in picture frames. After all of BNDD's work, some Customs luggage-shaker gets the guy by pure accident. Customs is anxious to put its man together with BNDD's bank accounts, but BNDD refuses. Each side takes its piece of the evidence and goes home.

John Ingersoll, head of the BNDD, explains such common squabbles between two agencies dedicated to the same objective: "In many things, there are differences of opinion, but that does not impede our cooperation." Cooperation, however, is not something that federal drug agencies throw around loosely. Nobody can be trusted in this drug mirage, least of all another agency. Go down to any border, where Customs, the nation's first line of defense against smugglers, is watching out from behind those reflector sunglasses. Customs men are not supposed to divert their gaze. They are not going to show easy favoritism by taking their eyes off some drugs just because another federal agency, the BNDD, happens to want to bring them in.

Such BNDD requests usually involve convoy cases. A convoy takes place when an agency knows a drug shipment is coming into the country, but decides to let it pass unhindered through the border so that important buyers or dealers can be arrested farther up the line. Usually, only the lowly couriers, or mules, show up with the stuff at the border.

The danger in every BNDD convoy, as BNDD sees it, is that at some point the convoy must unavoidably permeate a border and enter the fiefdom of Customs. The BNDD worries about this, much as a heroin trafficker sweats a little when his carload has to drive through a rival's territory. Customs doesn't deliberately try to be nasty, but its agents know that sometimes it is prudent to haul in the drugs while they are within their grasp, rather than risk a later screw-up due to another agency's mistakes. BNDD, in contrast, says the reason Customs likes to stop convoys at the border is that the only way Customs ever finds any heroin is to hear in advance from BNDD that a batch is coming through. The urge to see heroin makes Customs itchy at the border when the trafficker passes by with a gloating BNDD agent following behind.

But while Customs may miss most of the illegal heroin that pours by under its nose, Customs has little trouble uncovering and busting BNDD convoys, even without prior information. Within the last year, for example, BNDD tried to sneak a boatload of marijuana into the port of Miami. BNDD failed to notify Customs of this convoy, but Customs found out about it anyway, seized the BNDD vessel, and promptly impounded it.

BUSTING JOSE GARCIA

Since the BNDD has trouble actually slipping its convoys through Customs' border, the option of cooperating with the agencies could never reach agreement on how such cooperation might actually work, the President's Advisory Council on Executive Organization came up with some proposals which were adopted by President Nixon in June, 1970, ratified by the directors of both agencies, and printed in the agent's manual. The BNDD agent can find on page three of his manual that "smuggling violations not terminated at ports and borders come within the jurisdiction of BNDD unless such jurisdiction is waived," while the Customs partisan discovers on page six of the same manual that "smuggling investigations not terminated at ports and borders . . . are considered potential joint investigations. Investigative direction of such cases . . . will remain with the initiating agency." These guidelines are not understood by the underworld, who wonder why the two agencies don't go to the mattresses and clear things up once and for all.

A source high in the BNDD recently described for Congressman John Murphy of New York (who has introduced a bill to eliminate the American connection by making the BNDD the sole drug cop) how Customs weighs the relative strength of these two mandates and decides whether to authorize the convoy, or bust at the border and hit first with a press release.

Murphy: "Did you tell me that BNDD would rather let a hundred pounds through than make the seizures. . . .?"

BNDD: "Customs doesn't prefer to make the seizures at the border as a general rule unless it's our case. And then they always prefer to make the case at the border."

Murphy: "You're saying it depends on who's in charge. . . . If it is their case they let it go through. . . ."

BNDD: "They want to follow their things through without cutting us in on it except to notify us that they are bringing a convoy through. . . . Let's take this example. Our undercover agent in Chicago has been introduced to a drug trafficker by one of our informers and it turns out this drug trafficker happens to be an informer of the Bureau of Customs who's up in Chicago soliciting purchasers. So he makes a deal for the drugs to come in and Customs convoys the

damn stuff through from Mexico up to Chicago and there is a possibility that they may be delivering it to one of our undercover agents. To reduce that possibility they have agreed to tell us every time a convoy is coming through. But there is great difficulty for us to join up with that convoy, and they will not allow us to assume investigative jurisdiction in the case because they call it a smuggling violation and they do not want to bust that on the border because they say they are getting no one except Jose Jesus Garcia and the one they really want to get is the trafficker in Chicago. But when it is one of our cases they want to bust the damn thing at the border and get Jose Jesus Garcia."

BNDD is sometimes not pleased to see its convoy bounce off Customs and land on Jose Garcia, the proverbial mule. Convoys take months to develop and often involve risks to agents and informers, plus thousands of dollars to pay people off and buy the drugs. Garcia by himself they can live with—a lot of cases never get beyond the mules. But the bust at the border also puts Garcia on Customs' side of the counter—one more Customs arrest, a little more heroin sprinkled on their yearly pile, a little more ink on ther seizure charts. BNDD is rescued from having to accept this indignity by its overseas agents. Customs may hold court over the border pores of the nation, but BNDD has control over the rest of the world, where it can make arrests in conjunction with foreign police. If Customs is waiting to get Jose Garica at the border; BNDD can outflank them by busting Pierre Garcia before the case ever leaves France. BNDD calls this "going to the source" of the drug traffic.

In the LaBay case, for instance, a French businessman was arrested in Paris last October with 233 pounds of heroin stuffed into five suitcases and hidden in his car. Customs got wind of the case, and suggested that BNDD convoy the car over to New York, where the pick-up person could be hit or traced back to the higher-ups. BNDD and the French police, however, decided the car was not up to the long trip.

A few months earlier, Customs was looking out over the Mexican border, waiting for a heroin shipment. Customs planned to follow the junk to some major distributors on the American side. They kept watch, nothing was moving, and the agents began to get restless. Maybe the smugglers were tipped off, or maybe the buyers couldn't raise the money. While Customs was wondering, BNDD moved in with Mexican police to scuttle the convoy and jail the mules somewhere south of the border. A few more miles and the smugglers would have been in Customs territory.

When you add up all these differences of opinion between Customs and BNDD which have jeopardized, in the estimate of a high BNDD offiical, at least 20 per cent of all federal drug cases, you are tempted to make the quick judgment that the agencies cut off each other more than they cut off drugs. However, before you blame an agency for not cooperating, it is only fair to ask what the agency has to go through when it actually tries to cooperate on a collective bust, as prescribed in the various guidelines and memoranda of understanding. One example of such an effort is the Jaguar case, where both Customs' director Myles Ambrose and BNDD's John Ingersoll co-announced the seizure of 200 pounds of heroin and the arrest of five persons in New York last September—the second largest seizure in the city's history.

SNITCHING THE FLOUR

Before the beige Jaguar, loaded with heroin, was ever permitted to be convoyed from France on the Queen Elizabeth II, the case was in the solid grip of the BNDD. They had found the informant, paid him $50,000, set up the shipment, and discovered where the stuff was hidden in the car. BNDD was ready to bring the Jaguar to New York, secretly confiscate the heroin and replace it with white flour or milk sugar, and follow the car to the buyers.

Customs had no particular quibble with this plan, except for one detail. It was clear to them that the principals in the Jaguar case were acting much more like smugglers than like traffickers, and that called for Customs' special expertise. They would be more than glad to exempt the car from border seizure provided that they could take out the heroin and substitute Customs flour.

While the French were loading the heroin into the Jaguar with comparative ease, the dispute over whose flour would replace it began slowly rising to the top of both agencies. According to one source, the final flour decision went beyond Ambrose and Ingersoll and "got as high as Kleindienst." (Under the guidelines, the Attorney General's office is the final arbiter. Customs views this arrangement as unfortunate, since BNDD is in the Justice Department.) Sure enough, BNDD flour prevailed, and that agency would be in charge of all arrangements, although the names of both agencies would be attached to the case and it would be announced to the public as reflecting on the cooperative spirit of both bureaus.

To a Customs agent down at the port, however, Kleindienst is one thing and heroin is another. Customs has seen the Kleindiensts come and go, but it has not seen all that much heroin, having picked up, for instance, just 346 pounds in the year preceding Jaguar—while tons were flowing over, under, and across its borders. An agent wants to respect the wishes of the Advisory Commission and Reorganization Plan Number One, which created BNDD, but not when 200 pounds of smack is sitting in a car right in front of him, separated from his grasp by a memorandum. It was too much for the Customs agent to bear. He tapped into the Jaguar and pulled out just one small packet, just to get the feel, and to prove to BNDD that Customs knew how to find the stuff. (BNDD could otherwise have chided Customs for not being able to uncover the cache even though BNDD told them in advance where it was.) A Customs agent made this token snitch before BNDD could make the big flour exchange.

The token snitch would eventually provide an opportunity to jeopardize the Jaguar case once it came to trial, but before that, at least one other agency would have its chance to complicate matters. This time, it was the U.S. Army. Based on prior agreement, BNDD and the Army had installed a homing device into the electrical system of the Jaguar so it could be tailed by Army helicopters. The plan was abandoned at the last minute when somebody pointed out that Americans get nervous seeing Army helicopters over the highways. The homing unit was removed and the flour substitution effected while the car was stored at a New York garage awaiting its pick-up by hopefully unsuspecting couriers.

When the couriers arrived and drove the Jaguar out of the garage, a long procession of narcs fell in line. Unfortunately, the electrical system of the Jaguar, still recovering from the homing surgery, fizzled, leaving the Jaguar stalled and the narcs strung out behind like a funeral procession when the hearse has a blow-out.

The lead narc, wearing long hair and carrying a purse so as not to arouse suspicion, walked up to the stalled Jaguar and asked if the occupants needed any help. Could it be the wiring? The couriers, unaware of where the stuff was stored, and worried that the loosening of any bolt might result in a flood of heroin, turned down the road service. The narcs had to make the bust right there. Meanwhile, somewhere in the city, the buyers went home empty-handed, not knowing that they were saved by BNDD electricians from being arrested while receiving BNDD flour.

While the big boys were slipping through the faulty wiring, Customs, rarely outdone by the BNDD, gave the arrested couriers a potential free ticket out of court on the token heroin snitch. At the trial, the heroin packet found its way into the arguments of defense lawyers, who dug up an obscure legal precedent under which only one border search is permitted. They argued that the Customs agent's revenge constituted that single search, thus invalidating the entire flour exchange as evidence. The judge ruled against them and the traffickers were convicted.

Usually, this Kilroy-Was-Here urge of Customs agents doesn't jeopardize cases, but it does keep the BNDD on its toes. Recently, for instance, a BNDD undercover operative in a major city had talked his way into the confidence of some buyers and was preparing to sell them a little convoyed heroin. The BNDD man stood by sheepishly while the traffickers opened the packets, only to find that a Customs agent on the border had autographed the shipment and put a date on it. The BNDD's clandestine network suffered a setback, but the traffickers would at least realize that you can't fool Customs.

ARRESTING YOURSELF

This jealousy developed over convoy cases and the frustration over successful cooperative joint ventures like Jaguar would be greater if the agencies did not do so much of their work under cover. Much of the time, an agent who might get mad at a rival agent encroaching on his territory either doesn't know that the other person is an agent or that he is pursuing the same case. If a Customs informant, for example, knew that he had just sold dope to an undercover BNDD man, he might harbor resentment. Luckily, much of the time he doesn't know.

Every solution in one place creates problems in another, of course, and this ignorance lessens direct conflict only at a high cost in confusion. Because there are often four agencies working under cover, an agent has to try to guess whether the person he is tracking down is really a junkie, a police pigeon, an informant for another agency, or a combination of all three. During an episode in New York, a police informant led some narcs to a buy, and they waited in the shadows to make the arrest. The seller, however, happened to be working for another agency. He was there to sell flour and he didn't know his client was the police department.

BNDD and Customs are particularly susceptible to this confusion because the former likes to bust large purchasers, the big boys, and uses its undercover operatives to sell narcotics. Customs, on the other hand, specializes in nabbing the sellers, and uses its undercover men to buy narcotics. It is possible that the federal government has actually sold dope to itself. The same government has, on occasion, tried to arrest itself.

The most recent example occurred at a warehouse on the West coast, according to a BNDD source. BNDD has the place under surveillance and comes in with guns drawn to nab some heroin dealers with the goods. Customs is watching the same warehouse and thinks that those men with guns are a rival drug faction trying to heist the drugs. A scene is narrowly averted in which the incredulous heroin dealers walk out of the trap after watching two federal agencies gun each other down.

One wonders what all these interagency blitzes have to do with the drug traffic. Such an approach, however, inhibits understanding. In 50 years of creative organization, the narcotics agencies have had about as much luck stopping heroin as the Prohibition people had in drying up the country. The American connection tussles over seizures which in the best years represent perhaps 10 per cent of the heroin traffic, a 10 per cent that is probably replaced into the system. The

addicts are well enough supplied. For them, the difference between legal and illegal heroin is the price. For the public, the difference is between the cost of maintaining clinics for legal dope and the cost of all the crime generated to buy illegal dope, plus the cost of the narcs who fail to deter it.

To the federal agency, however, there is a difference between actually stopping the drug traffic and preserving the potential to stop the drug traffic. This is why the agencies, for all their apparent confusion, have the ultimate advantage over the heroin pusher and dealer. The heroin dealer must actually deliver the goods or else go out of business. The federal agent, on the other hand, has already demonstrated his ability to survive even if he is not actually sopping up the drug flow. As a matter of fact, the more drugs that come in, the more agencies that are created to stop them—the more the traffic is rerouted, the more the agencies are reorganized. These bureaus are smart enough not to become dependent on the product itself. They are dependent on statistics. Even when there are no drugs, there will be drug statistics.

Numbers in hand, any federal agency has two roads to survival. It can attach itself to an insoluble problem, such as poverty, racism, or war. Thus, the agency becomes immortal on the grounds of potentiality. Or it can take the gradual-improvement approach, basing its existence on the fact that some condition was much worse before, is better now, and will be still better in the future. The latter approach has ultimate disadvantages, as we see in the old Bureau of Narcotics, the BNDD's predecessor.

TURNING ON THE SKI JUMP

The Bureau of Narcotics, under Harry J. Anslinger, took the gradual-improvement road when it began sliding down the ski-jump curve in 1930. The ski-jump curve, explained Alfred Lindesmith in his book, *The Addict and the Law*, was a dubious method of counting the number of addicts in the U.S., based on the notion that there was a peak somewhere between 250,000 and 2.5 million addicts between the turn of the century and World War I. By showing a slow downfall in this number from 1930 forward, the Bureau of Narcotics could continue to prove its indispensability to the public and to each successive Congress.

The ski jump was based on local and state police reports to the Bureau of Narcotics on how many addicts they had identified during a given year. Most years the Bureau said there were thousands of new addicts, but that the total number continued to decline. For this to happen, as Lindesmith says, thousands of addicts must have been miraculously recovering from their habit every year, a fact not supported by the Bureau's theories on the perils of addiction. (The Bureau had always been good with numbers. A declining drug-arrest rate meant that addiction was on the wane, while an increasing arrest rate meant the Bureau was curbing addiction by catching more dealers.)

Even during its prosperous years, however, the Bureau had not looked as healthy on the ski-jump curve as other agencies who took the dismal or insoluble crisis approach. There is always more money, and therefore security, in working against bad housing, which is always around, than against the Mediterranean fruit fly, which may not be. The Bureau of Narcotics always got praise, but almost never got budget increases, or new offices. It also had to prepare for the day when the curve would level out or fall to zero, thus dumping the entire agency out on its tail.

The successor agency to the Bureau of Narcotics, the BNDD, was rescued from this dilemma by the hippies and by the narcotics epidemic of 1968. The ski-jump curve was promptly buried in an avalanche of addicts. Nobody knew just how many addicts, but there were a lot more than the old Bureau had estimated. John Ingersoll, director of the BNDD, began saying 100,000 (this figure, of course, did not reflect on the policies of his fledgling agency). Myles Ambrose, head of Customs, was saying sometimes 250,000, sometimes 300,000 addicts. One congressman complained about a "staggering" 62,000. Recently, the BNDD put all speculation to rest with a new reporting system based not only police reports, but on interviews with addicts. Matching the accuracy of its predecessors, BNDD has discovered that there are now 559,224 addicts in the United States.

This number made it hard to continue to fall back on the gradual-improvement theory, so both Customs and BNDD quickly embraced the insoluble problem alternative, which turned the ski jump upside down. Instead of slowly sliding toward perfection, the agencies were all of a sudden blocking the nation's slide into drug oblivion. Eugene Rossides, an official at Customs, described the dynamics of the new effort:

"In my judgment President Nixon's war on drug abuse is succeeding. He has arrested the United States' incredible downward slide into drug abuse [we have done a lot] . . . but let there be no false optimism [don't expect too much]. We have a long and steep climb ahead of us just to return to the level from which we fell [we are in a crisis]. It will require the active participation of all of us [more money]. However, I am confident that the challenge will be met. [The money will be worth it.]"

A word should be said in support of the departed ski-jump curve. If there had been no curve in the first place, there could never have been an incredible downward slide into addiction for the agencies to rescue us from. Nobody can tell exactly how many new addicts have appeared in the last three years, but it is clear that these extra 500,000 didn't shoot up overnight. Thus, the addict who was left off the ski-jump curve 10 years ago for the sake of the Bureau of Narcotics, now can be put back on the rolls for the health of the new BNDD. If the old Bureau had kept reliable statistics, or no statistics we would probably see merely a slow rise in addiction which would prompt criticism of the agencies' practices and perhaps even budget cuts. Nobody, however, can be blamed for an epidemic.

THE SEIZURE CHART WAR

All this luxury does have its drawbacks. Until the agencies can come up with some way of showing another decline in addiction, they have to prove their worthiness by other means. Both the BNDD and Customs have turned to the seizure chart, once merely window dressing for the old Bureau of Narcotics when the proof was in the ski-jump curve. Now, the public depends on the seizure chart for its knowledge of whether the war against the drug traffic is succeeding or failing.

Seizure charts are in some ways superior to addict counts. They are certainly more exciting, because the numbers represent actual lumps of heroin taken from Frog One and his colleagues in dramatic episodes. Moreover, while the addict count is a direct measure of addiction, the seizure rate is hard to connect with the actual heroin traffic. Nobody knows what effect increased seizures has on drug sales, whether more is put into the system to replace what is lost, or whether less is available for the addict. Nobody, for that matter, has any idea of how much heroin comes into the country. Customs can therefore claim a gigantic increase in heroin seizures, from 210 pounds in 1969 to 346.8 pounds in 1970 to 1,308.85 pounds in 1971, with the assurance that nobody, not even Customs, will know what that number really represents. When U.S. News and World Report recently asked Myles Ambrose, "Is the traffic in narcotics increasing?" he said: "It has been at such an inordinately high level that it would be very difficult to measure whether it is increasing or decreasing."

Seizure charts have still a third bureaucratic advantage. If the drug traffic is actually increasing, the odds are that government drug arrests and confiscations will also increase, although the narcs will still be getting the same percentage of the traffic. This means that the worse the problem gets the more the federal government will appear to be solving it. If you accept the BNDD's addiction rates, the two agencies are already making the most of these misfortunes.

Finally, seizure rates provides numerical flexibility. An addict is an addict, but a seizure can be a gram, a pound, a kilo, or a dose, depending on which looks better. In 1967, for instance, BNDD was confiscating heroin in grams (35,000), while in 1969 it was picking up pounds. In times of real drought, the agencies can switch to doses, diluting their statistics much as the traffickers dilute their heroin. The agencies also have the option, unavailable to drug pushers, of lumping everything together into one spectacular junk pile. Instead of promoting a heroin seizure figure, the agency comes out with its total hard drug haul, which includes heroin, morphine, cocaine, and others. Most important, seizures can be converted into money. This makes possible a direct comparison with the agency budget allotment. A sample seizure press release, this one from Customs, reads like this:

An unprecedented total of $617.3-million worth of illicit drugs and narcotics—approximately three times its annual budget—was seized by the Bureau of Customs in the first 10 months of the calendar year, U.S. Commissioner of Customs Myles J. Ambrose announced today.

The figure was based on the estimated street value of the drugs. It represents a 400-per-cent increase over the volume of narcotic drugs seized during the corresponding 10-month period in 1970 when the total was $119.3 million.

The number of individual seizures climbed from 7,961 to 8,806 while the aggregate quantity of all drugs rose from 124,720 to 165,281 pounds.

CONTINENTAL BLITZ

Things may be confusing to Narc One on the street, but his boss has no trouble keeping the BNDD seizure chart separate from the Customs seizure chart. Narc One is told that he should cooperate with Narc Two, he has heard the officials proclaim the historic unity between the agencies. But he also knows what happens if the junkie ends up as a Narc Two statistic. Cooperation with your rival agents, therefore, means walking arm-in-arm out of New York Attorney General Andrew Maloney's office slowly enough so the other agent won't get panicked and think you are trying to out-race him, and fast enough so you will make it to the bust first. That happened recently after Maloney advised both a Customs and a BNDD agent that a shipment was coming in. Customs got the case when BNDD's car wouldn't start.

At the start of the Nixon Administration, BNDD was safely in the lead of the cooperative war. It had the tradition of Harry Anslinger, the statisticians of the ski-jump curve, and the Justice Department. BNDD's foreign agents could blitz Customs on every continent. Customs, from its position down at the border, had never done much drug catching, and the agency hadn't gotten anywhere by approaching Congress year after year with warnings about the mound of suitcases piling on its harried inspectors from the international tourist boom. But, under bulldog Myles Ambrose, who reportedly has a "Bust a Junkie" sign on his desk, the agency began to get healthier when it could show that some of these suitcases had false bottoms and contained dope. Customs got an

extra $8.75-million boost in 1969 for 915 additional narcs, and was also given enough airplanes and sensors to create a pusher's DMZ at the Mexican border. Its total budget grew from $89 million in 1968 to $189 million in 1972. BNDD, meanwhile, was expanding from an original $14.4 million for 600 agents in 1968 to $65.1 million for over 1,300 in 1971.

UP AGAINST AGENT O'HARA

There were two ways the agencies could approach this seizure war. One would be to actually bust more junkies than the other, and the second would be to concentrate on a more creative use of what was actually seized. It is in the latter area that Customs gained ground. Ambrose's men began to make historic and dramatic busts, as opposed to the run-of-the-mill busts of the BNDD. The difference between a dramatic bust and a routine bust is the difference between a human Customs inspector sniffing out some marijuana, and a pot-smelling dog doing the same thing. Ambrose had the dogs, and they made newspaper stories, while BNDD was stumbling around looking for French heroin labs.

Ingersoll also made the classic mistake of going after the Families, the 10 or so underworld systems responsible, he said, for most of the drug traffic in this country. The Families technique had been tried before, and as any narc can tell you, it never works. Some mules you get, but not the Families. "People out in White Plains may have some fascination for the big shots," says one ex-narc. "But it doesn't mean much. They want to get that pusher down the street." Going after the Families, like writing the Great American Novel, can be an excuse to sit around and do nothing. Ambrose, meanwhile, was taking the street approach, making the neighborhood safe from the old dope peddler.

Ingersoll's narcs were off on this wild goose chase while Ambrose was secretly meeting with Jack Webb and the network television people. Both Customs and BNDD had hoped to get their own TV shows, but "O'Hara, U.S. Treasury" beat BNDD to the living rooms, and by the time Ingersoll got to the networks, according to John Finlator, former BNDD deputy director, "the anti-violence thing had taken over" and the BNDD show was turned down. O'Hara put the double screw on BNDD; even as real Customs agents were outmaneuvering BNDD at the street level, its television agent, O'Hara, was busting the major pushers. Every week, Customs' high-quality detective would crush another Big Family on ABC, while its luggage-shakers were getting a high-quantity seizure record by mopping up all the little busts. BNDD was squeezed out somewhere between O'Hara and the border.

BNDD, not easily outdone, retaliated with the open files and the incredible lump. Opening the files to reporters finally got the BNDD into the newspaper, where Ambrose's pot-sniffing dogs and computer narcs and heroin-DMZ had been all along. (*Newsweek* recently ran a big feature on BNDD's South America work.) And the BNDD surfaced with the incredible lump in its January, 1972, seizure press release, when it heaped all its seizures of narcotics and dangerous drugs from an entire world-wide illicit market into one, unprecedented, $920-million pile. This total included heroin, morphine base, and opium—domestic and foreign hauls—and pushed the BNDD chart to 3,784 pounds, far beyond anything previously claimed. The fact that some of these ingredients might not have been destined for U.S. consumption, or that many of these seizures, as one Customs official charged, "were made entirely by foreign police," was obscured by the numerical heft of the composite bust.

Customs, meanwhile, aware of the growing benefits of this go-to-the-source technique, asked Congress for more of its own overseas agents, so as not to be "blindfolded at the border." This would provide the chance for cooperation with BNDD abroad as well as at home. BNDD complained that the guidelines would prohibit this, but Customs offered to help write new guidelines.

While both agencies wrestled over international coordination, Ambrose outflanked both his friends at Treasury and his rivals at BNDD. What the drug way really needed, he convinced President Nixon, was a totally new agency, able to integrate its attack with all the other agencies. The others were doing a pretty good job, but they did not have the promise of a Special Office of Drug Abuse Law Enforcement—the President's arm—especially if that Office were headed by Myles Ambrose. Some reorganization would be needed, since Ambrose planned to take 250 agents, or about 20 per cent of the entire drug force, away from BNDD, and would also draw from other government narc pools. Ingersoll assured everybody that this would be no problem for BNDD. His agents might be working for Ambrose, but he would retain, as he put it, "administrative jurisdiction."

The new agency would also demand a revolutionary approach—an all-out blitz on the street-level heroin pusher, reminiscent of the traditional clean-up campaigns. (Carl Perrian, of Rep. Murphy's staff, notes that before a big drug hearing in San Diego in 1965, Customs boasted that its men had just "cleaned up" Tijuana. Perrian left the meeting, took $190 into Tijuana and returned a few hours later to lay a pocketful of drugs on the committee table). Ambrose's clean-up, carefully timed over the next few months, will be national in scope.

With Narc Six sneaking up at the rear of the long line of agents behind the drug smuggler, some new problems might arise. Is the BNDD narc on loan to the new agency supposed to bust for Ambrose or for Ingersoll three federal agencies might try to sell flour to each other, and there might be some uncertainty about the triple convoys. But the magnitude of the drug crisis is great enough to override such limitations, and the only thing that remains is to explain why another agency is necessary. President Nixon did:

At present, there are nine federal agencies involved in one fashion or another with the problem of drug addiction. In this manner our efforts have been fragmented through competing priorities, lack of communication, multiple authority, and limited and dispersed resources. The magnitude and severity of the present threat will no longer permit this piecemeal and bureaucratically-dispersed effort at drug control.

ANATOMY OF THE DRUG WAR

(By Nicholas Pileggi)

After a series of secret meetings in August, the city's Mafia leaders decided to end their ten-year self-imposed prohibition and reenter the narcotics business. It was a decision based on the fact that the profits in drugs today are greater and the risks more remote than ever. Long before the public was aware that the police department property clerk's office served as a major drug supply center, Mafiosi knew that law enforcement in the area had broken down. It was the Mafiosi, after all who were buying back much of the same heroin and cocaine that was being seized from them by narcotics agents.

The decision, aside from its probable social consequences, is expected to escalate further what is already open warfare among the independent junk dealers who now control the importation and distribution of drugs in the city. In the last two years, for instance, there have been more than 250 murders of middle-level non-addict pushers. There has been, in fact, even without the Mafia's heavy hand, an exotic orgy of violence among the city's free-wheeling dealers, wholesalers, smugglers, importers, corrupt cops, double agents and street-corner pushers. There are parts of Bedford-Stuyvesant in which black heroin dealers control so many killers that even state legislators and local political leaders admit privately that they are terrified to speak out against specific individuals.

There are streets in Harlem, the South Bronx, and around the Sunset Park area of predominantly white working-class South Brooklyn where pushers openly argue over choice sidewalk locations, like chestnut vendors outside Radio City. In upper Manhattan's Washington Heights area where Cuban dealers have established themselves in some of the bars along Broadway, from 138th Street north, daily shootouts have paralyzed police action with sheer volume. In the Bronx, wholesale junk markets on Walton Avenue off the Grand Concourse continue to proliferate even though police records show repeated arrests and harassment.

The drug world seems to gain strength from adversity. It is an environment of thoughtless, mechanical, clockwork violence. Since many of the deaths occur in black, Puerto Rican and Cuban neighborhoods, however, the media and the public have missed most of the fireworks. Occasionally, a murder involving middle-class whites, an undercover cop or a Mafia soldier makes the papers and the *Six O'Clock News*. On November 1, 1972, for instance, there was a front-page story in *The New York Times* about an N.Y.U. senior and his roommate, a suspected drug dealer, being murdered in their apartment across the street from the school's uptown campus. On the same day, a typical day, the following drug-related homicides and assaults also took place in the city, but without any mention in the press (the list does not include addict street crimes such as muggings and holdups):

John Spann, 35, shot and killed at 111th Street and Fifth Avenue by an unknown man hiding in a doorway; Ronald Lucas, 24, stabbed to death in front of 590 East 21st Street, Brooklyn; Luis Rivas, 28, shot and killed while standing in front of 54 Jesup Place, the Bronx; Bartolo Courasco, shot and critically wounded by two men from a passing car while standing on Columbus Avenue, near West 82d Street; Clark Jackson, shot and seriously injured at Eighth Avenue and 114th Street; Robert Smith, shot and seriously injured while standing in front of 19 West 126th Street; Hector Santiago and Guillermo Rodriques, shot and critically injured by two men in a passing car at the corner of Graham and Seigel Streets, Brooklyn; Israel Ortiz and James Delgado, shot and critically injured while standing in front of 1228 Morris Avenue, the Bronx; Eliot Roman, shot while standing on the corner of Vyse Avenue and East 179th Street, the Bronx.

The real danger for the city's drug dealers, quite obviously, does not come from the law. As the center of the nation's drug traffickers, New York has become Junk City, a predatory scene of unrivaled violence, official corruption and Byzantine plots. No army of anthropologists could ever have constructed a laboratory habitat better suited to the enrichment of the Mafia's style. The very chaos of the city's drug business has made it a temptation to the mob.

When the Mafia abandoned the narcotics business in the early 1960s it was because too many bosses suddenly found themselves going to jail for drug conspiracies hatched by their underlings. Carmine Galente, John Ormento and Vito Genovese were all top men who were jailed during that period. A few Mafiosi had continued dealing in narcotics, even during the boss-imposed ban, and today increasing numbers of the mob's aggressive and avaricious young Turks refuse to accept the timidity of rich godfathers as enough reason to stay out of narcotics. The profits are simply too great. Dealers in the United States who paid $18,000 for a kilo (2.2 pounds) of 80 to 90 per cent Turkish heroin in 1971 are now

offering $40,000 for a kilo of Asian heroin that is only 25 per cent pure. An investment of $500,000 in Corsica, São Paulo or Saigon can return $10 million on the city's streets.

Compared with other illicit Mafia businesses, importing and distributing drugs is administratively painless. Junk deals are consummated once or twice a year, and exposure to the public, corrupt cops and underworld employees is minimal compared with such vulnerable day-to-day operations as bookmaking, policy and loansharking. Someone has to take those bets, count the money, deal with the telephone installers, to say nothing of paying off the winners, cops, landlords, bail bondsmen and disgruntled Mafia employees. In the drug business, there is very little exposure and thus a minimum of vulnerability. In addition, there are now very few hoods around who do not know how easy it can be to smuggle contraband into the United States. Along the 1,200-mile Canadian border between Erie, Pennsylvania, and the Maine coast, for instance, there are two Great Lakes (Erie and Ontario), Niagara Falls, Lake Champlain, the St. Lawrence Seaway, scores of small waterways, 100 unguarded border roads and 1,000 rural airstrips upon which a small plane can land undetected. This entire stretch is patrolled by 100 border guards, with never more than twenty of them on duty at one time.

Just as the Mafiosi had replaced the Jewish racketeers who controlled the narcotics business before the end of World War II ("smack" as slang for heroin is derived from the Yiddish word *schmeck*, or smell), a loose amalgam of multi-racial and multi-ethnic entrepreneurs took the Italians' place in the early sixties. Blacks, Puerto Ricans, Cubans, Argentinians, Brazilians and, lately, Chinese distributors moved in on the wholesale and importation level. Independent black junk dealers like Julian St. Harrison, Gerald Hartley, Leroy Barnes, and Robert Stepney have developed their own Latin-American connections. Harrison, at 53, is known to police as a ten-kilo man who specializes in supplying out-of-towners from his East 215th Street headquarters in the Bronx. Hartley and Barnes are both considered major traffickers, Barnes having been a front for the East Harlem Mafiosi before they got out. Stepney, who police say commutes from Teaneck, New Jersey, to Bedford-Stuyvesant every day, is another of the city's top dealers.

The money being made by black racketeers in narcotics, of course, is finding its way into other illegitimate enterprises. Blacks are not only running their own policy and loanshark operations in areas that were once Mafia controlled, but they have begun moving into legitimate businesses as well. Bar-and-grills, drycleaning shops, liquor stores, even ghetto tenements are being swallowed up by black racketeers in payment for gambling and loanshark debts, a pattern of upward criminal mobility ominously familiar to the Mafiosi themselves.

One of the biggest Cuban operators in the city today is Rene Texeira, who lives in the Bronx but controls, along with Regilio Fernandez, another Cuban, most of the trafficking in northern Manhattan and New Jersey. The Mafia's greatest problem in retaking their netherworld interests will undoubtedly come from the Cuban racketeers. In West New York, Union City and Hoboken, New Jersey, as well as Washington Heights and much of upper Manhattan, junk has been controlled by Cuban gangs since the Mafia families of Simone Rizzo (Sam the Plumber) DeCavalcante and Joseph (Bayonne Joe) Zicarelli were decimated by continuous Federal harassment and jail. The Cubans, meanwhile—some with a paramilitary training left over from their Batista, anti-guerrilla days—have become a powerful criminal group as well organized, some say, as the Mafia itself. The Cubans' greatest enemies at present, however, are the city's Puerto Rican racketeers, who are in direct competition for the Latin junk market and for gambling and loan-shark operations.

On Manhattan's Upper West Side, with his base of operation around Broadway and 110th Street, Anthony Angelet, a 54-year-old Puerto Rican racket boss, is holding the fort for Raymond (Spanish Raymond) Marquez, who is in jail. Lionel Gonzalez, another of the city's powerful Puerto Rican dealers, concentrates his activities in the South Bronx, more specifically from his headquarters along Southern Boulevard between 149th and 150th Streets. In Brooklyn, the top Puerto Rican dealer has been identified as Jose Rosa, whose connections along Fourth Avenue in South Brooklyn are as good as his connections on the island of Puerto Rico. He is, in fact, the island's key supplier. These top dealers are so carefully insulated from their day-to-day operations that it is extremely difficult, despite almost daily harassment and questioning by the police, to land any of these men in court.

Further complicating the Mafia's takeover plans are the Chinese. Ten years ago, when the Italian-American Mafiosi left Junk City, the main suppliers were Sicilian, French and Corsican. By controlling these suppliers, the Mafiosi controlled the amount of drugs that entered the United States. During the middle sixties, however, increasing numbers of Chinese seamen began jumping ship in the United States with as much as ten kilos of heroin strapped to their backs. Suddenly, the poppy farms of Turkey, the smuggling routes through Sicily and Corsica, and the refineries in Marseilles were no longer the only sources. Today, it is estimated that more than half the heroin used in the United States comes from the Far East, much of it smuggled into the country by ship-jumping Chinese seamen. Customs and immigration officials say it is impossible to deal with the problem effectively. The relaxation of immigration rules has recently filled America's Chinatowns with new inhabitants, and it is comparatively simple for a seaman with $50,000 forth of pure heroin to disappear in these communities. On April 11, seven Chinese were arrested in New York with eleven pounds of heroin, and six of the seven turned out to be ship-jumpers. The heroin was part of a 100-pound batch brought into the country by a European diplomat. On June 30, four Chinese were arrested in a Sunnyside, Queens, apartment trying to extricate eighteen pounds of heroin from behind a baseboard where two other Chinese had hidden it earlier in the year at the time of their arrest. And, on August 21, as the godfathers made up their minds to get back into the junk business, Federal agents arrested 60-year-old Kan Kit Huie, the unofficial mayor of Chinatown, in a $200,000 deal involving twenty pounds of heroin, two Chinese businessmen, a Chinese ship-jumper, two Chinese-American undercover cops, 40 Federal agents using twelve unmarked cars, and a seven-hour circuitous tour led by cautious Huie that took the entire entourage through the alleys, factory buildings and streets of the Lower East Side.

The Mafiosi explored a return to the drug trade about a year ago. Key men were given permission to make buys, and a few have been caught.

On January 18, Louis Cirillo, a Lucchese family associate, was indicted in Miami in a 1,500-pound multi-million-dollar heroin-smuggling conspiracy. On April 29, while searching through Cirillo's Bronx home, Federal agents found nearly $1.1 million buried in the backyard and the basement. On February 4, another Lucchese family associate, Vincent Papa, was arrested in the Bronx with $967,500 in a green suitcase destined for a 200-pound heroin buy. Papa had once served five years for selling narcotics and had a record of 26 arrests. On May 10, Joseph (JoJo) Manfredi, a Gambino family captain, was arrested along with two nephews and fourteen other men in a $25-million-a-year heroin operation that specialized in supplying several midwestern cities. On July 15, Michael Papa, Vincent Papa's 24-year-old nephew, was arrested with another man for selling eleven pounds of cocaine to an undercover agent.

In addition to the unusual rash of Mafia-associated drug arrests, police began hearing rumors that a number of gangland killings were directly related to the mob's re-entry into drugs. On August 10, for instance, the bodies of two of Joseph Manfredi's nephews, one of whom had been arrested with him on May 10, were found in the deserted Clason's Point section of the Bronx. The killing was apparently intended to insure silence in the drug case involving their uncle.

On July 16, when acting Genovese family boss Thomas (Tommy Ryan) Eboli was shot and killed on a Brooklyn street corner, it was at first suspected that his death had something to do with the Gallo-Colombo war. He had just walked out of his girl friend Elvira (Dolly) Lenzo's Lefferts Avenue apartment, shortly after midnight, when two men stepped out of a yellow panel truck and opened fire, hitting Eboli five times in the head and neck. Since the killing, Federal agents suspect that Eboli was killed not because of a Mafia family feud, but because he was involved in a $4-million narcotics scheme in which he tried to withhold more than a million dollars. On April 29, when Federal agents dug up Louis Cirillo's backyard in the Bronx and found $1,078,100, Eboli's fate was sealed. It is now suspected that Eboli had withheld that sum from his peers, the very top-level Mafia financiers who had originally bankrolled Cirillo's heroin-smuggling plan. As is customary in such cases, underlings like Cirillo are not held responsible for the greed of their bosses and are, therefore, spared. Eboli, however, knew better. "They had to blow him away," an informer explained, "because he had held out on bosses. He had made fools of his own kind. The only thing that took them so long [Eboli was killed two months and seventeen days after the money was uncovered] was that they were probably trying to get him to replace the million so he could live."

Other signs of the mob's re-entry into junk were apparent when top Mafia bosses like Santo Trafficante of New Orleans suddenly took trips to the Far East. Federal narcotics agents, who have spotted both men in Saigon, Hong Kong, Singapore and Thailand, are almost certain that Asian connections were being established to supplement the mob's traditional French and Corsican suppliers. Another indication was the appearance in New York late last year of Thomas Buscetta, a Sicilian-born man of many passports and the Mafia's main South American connection. Buscetta was arrested in front of the United Nations as an illegal alien, but left the country after posing $40,000 bail. He was wanted at the time by Sicilian police for masterminding a 1963 massacre in which seven policemen and three civilians died. Today, Buscetta lives in Sao Paulo, Brazil, under the name of Robert V. Cavalaro, and owns a fleet of 275 taxicabs and a string of luncheonettes. Slipping in and out of the United States almost at will, Buscetta was recently caught coming through the Canadian border at Champlain, New York, with an American, three Italians, and two Argentinian passports. While customs officials marveled at the fact that each of the passports bore a different name under his photograph, and as they searched his car, finding a Playboy Club credit card slip, a booklet of lottery tickets and a reel of obscene film, Buscetta disappeared from the border patrol station.

Buscetta's importance to the Mafiosi is twofold. He is not only their man in South America, but he also represents, at 44 years of age, just the kind of potential Mafia boss that old-world dons like Carlo Gambino

would like to see take over the secret society. Gambino has been importing foreign-born Mafiosi like Buscetta for several years, and police intelligence officers suspect that much of the pressure being applied to organized crime leaders to return to narcotics has been exerted by these old-world imports.

"Greasers are taking over the whole operation," one Federal informant explained. "Carlos Marcello has spread them through the South and the Southwest. They are in upstate New York. Gambino and Marcello and Magaddino are bringing Sicilians over. Right here, in downtown New York, the numbers are all theirs. Joe Mush had a gigantic policy operation, but the greasers told him 'bow or you're dead.' First they started by just hanging around, but pretty soon they were bringing over their buddies, until today, on Mulberry Street, the American wise guys are scared of them.

"These guys are bringing everybody into line. They've got the old man's okay, and when they move it's going to be a bloody mess."

On August 4, in Trinchi's Restaurant in Yonkers, the first of the mob's meetings took place. Despite the fact that it was held in public on a busy Friday night, it was not until months later that the New York City police found out that it had taken place. (Inexplicably, the NYPD, to the mob's delight, has decided to cut back the kind of surveillance work needed to fight organized crime.) The FBI had apparently missed the meeting as well, and, if it had not been for an IRS agent in search of an acquaintance of one of those who attended the meeting, no law enforcement unit would have known of the meeting. Those attending included Carmine Tramunti, acting head of the Lucchese family, long known for its drug operations. Based in East Harlem, it had a virtual monopoly in supplying drugs to black and Puerto Rican ghettos before the Mafia-imposed ban. While Tramunti has no personal involvement with narcotics (his interests are almost exclusively gambling), as the family's titular head his approval was not only expected but required. Philip Rastelli, acting boss of the Bonanno family, was also present. The Bonannos have been well known as a drug family since the early 1930s, when Joseph Bonanno first put the Sicily-Marseilles-Montreal-New York route together. The Bonanno Mafia family has always been evenly divided between Montreal and New York, and it has specialized in smuggling of all kinds. Rastelli, who has taken over the Bonanno mob and moved into a racket vacuum in New Jersey, is expected to be the first Mafia boss to make a move in solidifying the drug business. Bonanno soldiers, perhaps more than those of any other family, have been most debilitated by internal wars, jail, and a loss of illicit income. Bookmaking, loanshark concessions, labor union infiltration, waterfront pilfering franchises—all of the fringe benefits and income that accompany a thriving Mafia family—were denied the Bonanno crew as a result of their leadership vacuum after Joseph Bonanno was kidnapped and his heir was rejected by the Mafia's commission. As a result, it is the remnants of the old Bonanno family who are most in need of the drug trade, and it will therefore fall to Rastelli in New Jersey to take on the well-organized and deeply entrenched Cuban gangs. He is expected to go about it, according to various police informants, by systematically killing off top Cuban importers until eventually the entire Cuban operation is under control. With Rastelli at all of the meetings was another Bonanno boss, Natale Evola, an older and highly respected don. It is Evola who often serves as a voice of moderation when Rastelli, who has a volatile nature, explodes.

Also present at the meeting was Michael Papa, the 24-year-old nephew of Vincent Papa the Lucchese family associate arrested last February with the cash-filled green suitcase. It is suspected that Michael, who was on bail at the time of the dinner, was representing his uncle's interests. The last and most mysterious of the Mafia dinner companions was Francesco Salamone, an illegal Sicilian alien who has a long history of international narcotics smuggling and many Corsican friends.

A second meeting took place on August 11, the day after the two Manfredi nephews were shot and killed, and it was held at the Staten Island home of John (Johnny Dee) D'Alessio, a Carlo Gambino captain. At this meeting, Evola, Rastelli and Salamone their European connection, apparently presented their plans to the bosses and acting bosses of other Mafia families. Present were acting Genovese boss Alphonse (Funzie) Tieri; septuagenarian, gum-chewing Michele Miranda, a highly respected Genovese family consigliere; Aniello DellaCroce, Carlo Gambino's most likely successor; Alphonse (Allie Boy) Persico representing his brother Carmine (Junior) Persico, a Colombo family captain, and Joseph N. Gallo, a man unrelated to the Brooklyn Gallos, who often represents the interests of the New Orleans and Tampa Mafia families in New York. (Trafficante and Marcello both refused to attend the meetings according to police, since their last dinner with friends in New York resulted in their seizure in La Stella Restaurant on Queens Boulevard.) Gallo's presence at the meeting, therefore, was significant since it is through the Far-Eastern connections established by the bosses of the two southern Mafia families that so much of the heroin brought into the United States originates. Also attending the second meeting was Luciano Leggio—another illegal Sicilian alien wanted for murder in Palermo and an old-world Mafioso with excellent Corsican connections.

The third meeting, at which Evola and Rastelli once again presided, is expected to be the last. It took place on August 17, in Gargiulo's Restaurant on West 15th Street, off Mermaid Avenue, in Coney Island. The acting Genovese boss, Alphonse Tieri, and the Luchese boss Carmine Tramunti were present as was Joseph N. Gallo. The five men met on a Thursday evening and sat down to dinner unnoticed by the rest of the customers. They were, after all, five neatly dressed, soft-spoken businessmen who were discussing with varying degrees of enthusiasm the problems inherent in any new business venture.

AGENTS MANUAL—BUREAU OF NARCOTICS AND DANGEROUS DRUGS

(Presidential Directive and Guidelines, dated July 2, 1971, pertaining to BNDD-Customs liaison, as they appear in BNDD Agents Manual)

CHAPTER 66 ENFORCEMENT PROCEDURES

Subchapter 668 special enforcement programs

6685 Liaison BNDD/Customs Agency Service

6685.1 General.

It is the policy of BNDD that every agent will extend the fullest possible cooperation with the United States Bureau of Customs on matters of mutual concern in accordance with the following policy and procedural directives.

6685.2 Presidential Directive.

The following is the text of the President's directive to the Attorney General on February 5, 1970:

"A difference of opinion has existed between the Justice and Treasury Departments as to the responsibility for dealing with the international traffic in narcotics.

"This issue was referred to the Advisory Council on Executive Organization for study and submission of proposed recommendations for a solution. I have reviewed the Advisory Council's report and have approved its recommendations as follows:

"1. Representatives of BNDD should continue to be accredited to represent the United States Government in dealing with foreign law enforcement officials on narcotics questions. Customs should not represent the United States in this area, except when authorized by BNDD.

"2. BNDD should be designated the agency to control the narcotics area. Customs should support BNDD's efforts to reduce and eliminate the flow of narcotics into the United States and its intelligence network should be used to assist in the overall effort.

"3. Consistent with the recommendations made in this paper, the Attorney General should be designated to pass on disagreements that cannot be resolved by the bureaus concerned.

"The Attorney General is requested to prepare guidelines to implement these recommendations and to submit them to me for approval by February 15, 1970."

6685.3 Presidential Approval of the BNDD/Customs Guidelines.

On May 5, 1970, the President approved the guidelines prepared by the Attorney General. On June 22, 1970, the President directed the following memorandum to the Attorney General and the Secretary of Treasury:

"In my directive of February 5, 1970, I approved the recommendations of the Advisory Council on Executive Organization outlining responsibility for dealing with the international traffic in narcotics.

"Pursuant to my directive, the Attorney General has submitted the attached proposed guidelines to implement the recommendations of the Advisory Council on Executive Organization. It is my conviction that these guidelines provide a basis for a clearly directed effort to curtail the traffic in narcotics, marijuana and dangerous drugs.

"I have reviewed these guidelines and approved them for immediate implementation."

6685.4 BNDD/Customs Guidelines.

The approved BNDD/Customs Guidelines are quoted below:

"1. BNDD's Responsibilities:

"A. BNDD controls all investigations involving violations of the laws of the United States relating to narcotics, marihuana, and dangerous drugs, both within the United States and beyond its borders except as set forth in the first sentence of 2A below. BNDD has primary jurisdiction over all investigations originated by officers of that Bureau either within or outside the United States, including smuggling of narcotics, marihuana, and dangerous drugs into the United States.

"B. In foreign areas, BNDD is the accredited United States agency for contact with foreign law enforcement officers on narcotics, marihuana, and dangerous drug matters. To insure unity of purpose, Customs personnel shall communicate on narcotics, marihuana, or dangerous drug matters with foreign law enforcement officials only after prior approval (in writing, if possible) of the Director of BNDD or his designee. If BNDD does not give approval, BNDD will communicate with foreign officials with respect to the particular matter requested by Customs and will expeditiously advise Customs of the results of the communication.

"C. BNDD has as one of its principal missions the detection of persons in foreign countries who may transport contraband drugs to the United States. BNDD also has the responsibility for fully advising Customs of all information (in writing, if possible) regarding the identity and circumstances of the probable movement into the United States of smugglers and/or contraband.

"D. In order to promote greater efficiency and to minimize risks, in those BNDD investigations where smuggling of narcotics, marihuana, or dangerous drugs is probable, BNDD shall fully and promptly advise Customs. When it is in the best interests of overall enforcement objectives to have controlled passage of contraband drugs into the United States to be delivered to the intended re-

cipient, BNDD shall request Customs assistance for this purpose. Customs shall be invited to participate in the controlled passage of the smuggled contraband to the intended recipient.

"E. The Director, BNDD, will assign such officers of BNDD as he deems necessary to any foreign country with which arrangements may be made in consultation with the Department of State. BNDD officers will work with enforcement officers of that country in developing information and evidence against international narcotics, marihuana, and dangerous drug traffickers. They will pursue illicit producers of opium, marihuana, and other dangerous drugs and endeavor to immobilize illicit manufacturers and distributors of dangerous substances destined for the United States.

"F. BNDD has jurisdiction and authority to investigate and coordinate with foreign personnel in all narcotics, marihuana, and dangerous drug matters in those Foreign countries where both BNDD and the Bureau of Customs have assigned personnel.

"G. BNDD may establish offices in border cities where necessary and conduct investigations in other border locations to achieve its mission and objectives. BNDD shall inform Customs as soon as possible of all investigative activities in the Mexican and Canadian border areas of the United States which have a smuggling aspect to insure maximum safety, cooperation, and coordination.

"2. Bureau of Customs Responsibilities:

"A. The Bureau of Customs, because of its responsibility to suppress smuggling into the United States, has primary jurisdiction at ports and borders for all smuggling investigations, including those involving narcotics, marihuana, and dangerous drugs, except those initiated by BNDD. For this purpose, smuggling is understood to mean the actual passage of undeclared merchandise, or contraband, through the Customs lines. It does not include preparatory acts prior to bringing the articles within the boundaries of the United States. Smuggling violations not terminated at ports or BNDD unless such jurisdiction is waived (in writing if possible) by the Director of BNDD or his designee.

"B. Customs shall promptly make available to BNDD information or investigative leads relating to the illicit production, possession, trafficking, or transportation of narcotics, marihuana, or dangerous drugs. The direction of subsequent activity with respect to such production, possession, trafficking, or transportation is the responsibility of BNDD.

"C. Customs officers with the advanced concurrence (in writing, if possible) of the Director of BNDD or his designee, may convoy narcotics, marihuana, or dangerous drug investigations to their destination from the point of entry into the United States. To insure proper coordination, BNDD may assign Special Agents to accompany the controlled delivery.

"D. In the vicinity of the borders, Customs officers may communicate with Mexican and Canadian officials on narcotics, marihuana, and dangerous drug matters. In this regard, the Bureau of Customs will support BNDD's efforts to eliminate the flow into the United States of narcotics, marihuana, and dangerous drugs, and shall inform BNDD with respect to the nature and extent of such contacts involving narcotics, marihuana, and dangerous drug smuggling, and all information derived therefrom shall be transmitted to BNDD upon request.

"3. Interagency Cooperation.

"A. The President of the United States has directed that there be the fullest possible cooperation and exchange of information between BNDD and the Bureau of Customs in the investigations of violations relating to narcotics, marihuana, and dangerous drugs. To this end, employees of each agency are directed to transmit promptly to the other agency any information which would be of value in discharging that agency's responsibilities more effectively. If there is a question if the information would be of value to the other agency, the question should always be resolved by transmitting the information.

"B. To insure the fullest cooperation, the Director of BNDD and the Commissioner of Customs shall each designate a person charged with the responsibility of investigating alleged breaches and for liaison with his counterpart with regard to all matters falling under these guidelines.

"C. Information relating to narcotics, marihuana, or dangerous drugs in those countries where the Bureau of Customs has personnel and BNDD does not, shall be reported immediately (in writing, if possible) to the Director of BNDD or his designee, who may send agents into those countries to develop any necessary investigation. In any such case, unless the BNDD specifically directs otherwise, the Bureau of Customs may take such action as it deems necessary, pending the arrival of representatives of the BNDD. Bureau of Customs representatives are required to take further action only in cases in which their assistance is specifically requested by the BNDD and approved by the Commissioner of Customs.

"D. An expedited system of communication of information from abroad will be initiated and its mechanics will be set up in such a way that information will be conveyed to the appropriate agency with the least possible delay. The information shall be transmitted directly to responsible field offices, except as otherwise specified, of the appropriate agency and information copies will be transmitted promptly to both Bureau headquarters.

"4. Border Patrol Seizures.

"The Border Patrol of the Immigration and Naturalization Service when making a seizure of narcotics, marihuana, or dangerous drugs incident to their primary duties, will follow this procedure:

"a. If it can be established or it seems likely that the violator smuggled the illicit drugs into the United States, the matter shall be referred to the Bureau of Customs.

"b. In all other situations, the matter shall be referred to BNDD.

"5. Resolution of Disagreements between BNDD and Customs.

"In event of disagreement between BNDD and Customs with respect to the application, effect, and/or interpretation of the foregoing guidelines, such disagreement shall be resolved in writing by the Attorney General."

6685.5 Joint Implementation Agreement.

A joint agreement has been signed by the Director of the Bureau of Narcotics and Dangerous Drugs and the Commissioner of Customs to implement the guidelines. The Joint Implementation Agreement is set out below:

"Joint Implementation Agreement BNDD/Customs Guidelines, May 5, 1970

Pursuant to Presidential Directives of February 5, 1970 and June 23, 1970.

In order to enable the Bureau of Narcotics and Dangerous Drugs (BNDD) and the Bureau of Customs (Customs) to most effectively implement the approved guidelines it is agreed that:

"1. Customs Agents will be assigned to BNDD offices at Paris, Rome, Montreal, Mexico City, Bangkok, and Hong Kong.

"2. BNDD Special Agents will be assigned at Customs offices at San Ysidro, Calexico, Nogales, El Paso, Laredo, and McAllen.

"3. For the purpose of assuring expeditious Customs preclearance, Customs representatives at Toronto, Vancouver, Ottawa, Montreal, Bermuda, and Nassau may coordinate a drug matter of mutual interest directly with law enforcement officials at those locations.

"4. BNDD will concur in Customs convoy investigations unless the intended result will seriously jeopardize an active BNDD investigation or will not be consistent with the objectives of both Bureaus.

"5. Smuggling investigations not terminated at ports or borders involving narcotics, marihuana, and dangerous drugs are considered potential joint investigations. Investigative direction of such cases within the United States will remain with the initiating agency providing:

"a. It has consulted with the other to determine that the same matter is not already under active investigation.

"b. It does not involve a third law enforcement agency within the United States without mutual concurrence.

"c. It keeps the other fully informed via reports of the progress of the case.

"6. Press Releases.

"Upon conclusion of successful joint investigation by Customs and BNDD, information will be released to the press on a local or national level as the circumstances may warrant. All releases shall reflect the cooperative effort of both Bureaus.

"7. Joint Statistics.

"Arrest and seizure statistics reflecting the combined efforts of both services shall be reported individually by both agencies as cooperative efforts. These statistics will include the results of joint foreign investigation efforts when applicable as well as joint smuggling investigations.

"8. Joint Participation in Significant Cases.

"All joint case reports submitted to the U.S. Attorney will be reviewed and signed by both BNDD and Customs cases agents.

"9. Cooperation with Local Authorities.

"In all instances BNDD and Customs will portray a united narcotics enforcement effort to all County, State, and municipal enforcement agencies. Both agencies will decline to participate in any investigative case presented by local authorities under single agency conditions which could serve to divide the unified effort.

"10. Review of Operations.

"Customs (Office of Security) and BNDD (Office of Inspection) will be charged with jointly investigating and reporting any allegations of non-cooperation that cannot first be resolved at the lowest level of field supervision.

"JOHN E. INGERSOLL,
"Director, Bureau of Narcotics and Dangerous Drugs, U.S. Justice Department.

"MYLES J. AMBROSE,
"Commissioner, Bureau of Customs, U.S. Treasury Department."

6685.6 Instructions for BNDD Special Agents to Implement the BNDD/Customs Guidelines.

6685.61 Delegation of Authority.

The following instructions will be complied with in applying the approved guidelines to BNDD/Customs activities. Where the guidelines refer to "the Director of BNDD or his designee," the following BNDD officials are designated to act for the Director:

A. The Assistant Director for Enforcement.

B. The Chief of Operations.

C. All Regional Directors in their assigned Regions.

D. BNDD Special Agents stationed at Customs border offices for concurrence in Customs convoy cases.

E. Regional Directors for Regions 11, 12, and 14 at U.S./Mexican border areas in coordination with the Regional Director, Region 15.

F. Regional Directors in Regions 1, 6, 7, 10, 12, and 13 at U.S./Canadian border areas in coordination with the Regional Director, Region 2.

Questions that cannot be resolved at the Regional level will be referred to the Assistant Director for Enforcement or the Chief of Operations for resolution.

6685.62 Exchange of Personnel.

BNDD and Customs agents may be stationed at offices of the other agency in strategic cities where agreed.

The purpose of this personnel exchange will be to expedite the exchange of intelligence information, coordinate joint investigations, and insure that information of interest to the other agency is obtained promptly and disseminated for action.

Special Agents of BNDD assigned to the Customs border offices will be directly responsible to the Regional Director in whose jurisdiction the office is located.

6685.63 BNDD/Customs Liaison.

Specific individuals will be designated responsibility by Regional Directors for Customs/BNDD liaison in New York, Miami, Chicago, Los Angeles, San Francisco, Houston, and other offices where sufficient interagency activity warrants the assignment of a liaison officer. In offices where a specific individual is not designated, the Regional Director or agent-in-charge will be responsible for BNDD/Customs liaison. In each office a back-up individual will be designated to act in the absence of the primary liaison officer.

6685.64 Open Files.

BNDD will maintain an open file policy in regard to investigative files. Any investigative file containing information of interest to Customs will be open for review of the appropriate Customs agent.

6685.65 Exchange of Reports.

Copies of investigative reports will be furnished to Customs on a local level on matters pertaining to that agency's specific responsibility. Paragraph 1C of the guidelines gives BNDD the responsibility for advising Customs of all information regarding the identity and circumstance of the probable movement into the United States of smugglers and/or contraband. BNDD will immediately (without regard to normal duty hours) refer to Customs any information which has a smuggling aspect even though there is no specific information as to the time or place of such suspected smuggling.

Included in the report, if appropriate, will be BNDD's interest and proposed course of action with regard to the information and any appropriate action desired by BNDD. If limited time requires that the information be forwarded orally it will be documented when time permits. This documentation can be in the form of a memorandum to the appropriate Customs agent-in-charge or can be accomplished through the transmittal of BNDD investigative reports.

If the information is a part of an investigative file, a copy of the memorandum will be placed in the case file as well as the Customs cooperation files both in the Region and at Headquarters. Paragraphs 1D and 1G of the Guidelines generally require BNDD to inform Customs of all investigative activities which have a smuggling aspect. Paragraph 1G specifically requires BNDD to inform Customs as soon as possible of all investigative activities in border areas of Canada and Mexico which have a smuggling aspect.

All information of this nature will be reported immediately (without regard to normal duty hours) even though it has not been fully developed. In any investigation where BNDD contemplates activity which might develop into a smuggling situation, Customs will be advised in advance that the activity may be of interest so they can prepare to react in cooperation with BNDD if necessary. This notification will be accomplished through the BNDD agents assigned to the Customs border offices and/or the appropriate BNDD liaison representative.

Where the guidelines indicate "in writing if possible" this is interpreted to mean that the writing may follow the required action when absolutely necessary; however, all actions will be confirmed in writing.

Where BNDD is required to concur in an action by Customs the written concurrence will be in the form of a memorandum from the BNDD official to the appropriate Customs official with an information copy forwarded to Headquarters.

6685.66 Procedures for Communication of Information or Requests for Investigation Between the Customs Agency Service and BNDD Foreign Regions.

The following procedures apply to all forms of communication.

A. Any transmittal of information or request for investigation by a domestic Customs office to a foreign BNDD Region will be routed to the domestic BNDD Regional Director in whose jurisdiction the originating Customs office is located. The originating Customs office will also:

1. Transmit an information copy of the communication to the Bureau of Customs, Office of Investigations.

2. Forward an information only copy to the Customs liaison officer in the concerned foreign BNDD office.

3. Make additional distribution to other interested domestic Customs offices.

The domestic BNDD Regional Director will:

1. Forward the communication to the foreign Regional Director of BNDD for action.

2. Make additional distribution to BNDD Headquarters and other concerned offices within BNDD.

B. In responding to Customs requests for investigation or transmitting information of interest to domestic Customs Agency Service Offices, the foreign Regional Director will:

1. Transmit the information to the domestic Regional Director of BNDD in whose jurisdiction the requesting or interested Customs office is located. The domestic Regional Director is then responsible for dissemination of the information to the concerned Customs office.

2. Provide a copy to BNDD Headquarters.

3. Provide a copy to the Customs liaison officer located in the foreign office of BNDD. The Customs liaison officer is then responsible for expeditious dissemination of the information to Customs Headquarters.

C. Domestic BNDD Regional Directors will forward classified correspondence to the foreign Regions following established BNDD procedures. (See subchapter 823, Inspection Manual.) Until the domestic Regions are provided with teletype equipment capable of sending classified or sensitive messages through BNDD Headquarters to the foreign Regions, information of this nature will be transmitted to BNDD Headquarters following currently established procedures for transmission to the foreign Regions. Classified correspondence originated in the foreign Regions will be transmitted to the concerned domestic Regional Director for referral to Customs domestically following established procedures. Classified or sensitive teletype messages originated in foreign Regions will be routed to BNDD Headquarters. BNDD Headquarters will in turn disseminate the information to the concerned domestic BNDD Regional Director for transmittal to the concerned Customs office located in his jurisdiction following current procedures for domestic dissemination of such material. BNDD Headquarters will also provide Customs Headquarters with copies of these classified or sensitive messages from the foreign Regional Directors.

D. Under emergency conditions the originating Customs office will:

1. Attempt to communicate following procedures as set out in A above.

2. In the rare instance that the Customs originator is unable to obtain a response from the domestic Regional Director of BNDD, the Customs originator will communicate directly with the Bureau of Customs Headquarters which will transmit the information to BNDD Headquarters for referral to the foreign Regional Director concerned. The Customs originator may also notify the Customs liaison officer in the foreign Region that an official request for action in the foreign Region has been made through BNDD Headquarters. The Customs originator will notify as soon as possible the domestic BNDD Regional Director in whose jurisdiction he is located that a direct request was made through BNDD Headquarters.

6685.67 Convoys.

BNDD has been given responsibility to concur with Customs prior to the advance of convoy cases from the border point of seizure to the recipient. (See 6685.4 2c.) This concurrence is required to avoid any possible conflict between the two agencies at the point of delivery and also to avoid any compromise of enforcement objectives. Since convoy investigations are an effective enforcement technique, Customs may properly expect that BNDD will concur in these cases as a general rule. When a convoy is related to a BNDD investigation, consideration should be given to utilizing the convoy in furtherance of the BNDD investigation whenever possible. A convoy should not proceed if it will seriously jeopardize an active BNDD investigation. There must be significant reasons established which show that the convoy will be detrimental to the investigation.

There may be other circumstances in which it may not be advantageous to proceed with a convoy investigation. Such situations would be limited and each must be evaluated on individual circumstances. Examples might be where the defendant is determined to be a BNDD fugitive or where the BNDD files establish that the person arrested at the border is of greater stature in the traffic than the intended recipient. Also where no effort has been made to determine the intended recipient's involvement in the traffic it may be appropriate to request such an effort before permitting the convoy to proceed. An opinion from the appropriate U.S. attorney as to the legality of the proposed convoy will be obtained by Customs.

It is imperative that BNDD react immediately when notified by Customs that a convoy is possible. Customs will notify the BNDD agent assigned to the border offices or the Customs liaison officer in other offices nearest the point of seizure, who will obtain complete details of the investigation. This person will then communicate with the BNDD office at the point of destination to determine if there is any conflict with current BNDD operations. The BNDD agents stationed at the Customs border offices or, where the crossing is not at the Mexican or Canadian border, the BNDD liaison officer nearest the point of seizure will transmit BNDD's concurrence to Customs after conferring with the appropriate BNDD offices involved. The Regions through which a convoy will pass enroute to its destination shall be notified that a convoy is proceeding through their jurisdiction. The agents assigned to Customs border officers or the liaison officer at the point of seizure will be responsible for this notification.

6685.68 Mexican/Canadian border areas.

In the vicinity of the border areas Customs officers may communicate with Mexican and Canadian officials on narcotic, marihuana and dangerous drug matters in support of BNDD efforts to eliminate the flow of drugs into the United States. Customs may develop and maintain sources of information in these border areas and work directly with Mexican/Canadian officials in intelligence gathering functions at the borders.

All operational activities developed as a result of these intelligence gathering functions which are directed toward the arrest of individuals or seizure of contraband drugs will be coordinated and worked jointly with BNDD and border authorities of Mexico and Canada. (See paragraph 5, Joint Implementation Agreement.)

6685.69 Reporting of Investigation.

If action is taken by BNDD on investigative information received from Customs, a file number will be assigned and normal investigative reporting procedures will be followed. A copy of the information received from Customs will be filed in the Customs cooperation files both in the Region and at Headquarters. All pertinent subjects will be indexed.

6685.7 Resolution of disputes.

In the event of a dispute, the circumstances of disagreement will be submitted by memorandum to the Assistant Director for Enforcement for referral to the Chief Inspector, BNDD. The Chief Inspector will immediately provide a copy of the memorandum to the Customs Office of Internal Security and arrange for joint investigation of the matter.

Any statements included in the investigation file explaining the conduct of the investigation that relate to the jurisdictional guidelines will be placed on an Administrative Page attached to the pertinent report and not in the body of the report itself.

COPY OF STATE DEPARTMENT TELEGRAM

(From: Secretary of State to numerous Missions dated July 28, 1972.)

Following is joint White House/State/CIA/Treasury/Justice Message:

Subject: Relationship of Customs and BNDD agents overseas engaged in narcotics control work.

Reference: State 230669.

1. As of this date, 18 Customs special agents have been ordered on assignment to the posts listed below in the numbers indicated: Madrid (1), Barcelona (1), Hamburg (1), Munich (1), Monterey (1), Quito (1), Buenos Aires (1), Panama City (1), Bogotá (1), Asuncion (1), Bangkok (1), Saigon (1), Tokyo (1), Ottawa (1).

2. These assignments will be carried out under the following arrangements which will supersede prior directives concerning the relationship of Customs and BNDD agents engaged in narcotics control work. This cable sets forth these arrangements.

3. The chief of mission is the official accredited directly by the President to deal with the host government on narcotics matters. As with other mission elements, the chief of mission has full authority and responsibility for the direction of all the elements of the mission dealing with the international problem in narcotics and dangerous drugs. This authority and responsibility is consistent with the President's letter to all chiefs of mission of December 9, 1969.

4. The Commissioner of Customs and Director of the Bureau of Narcotics and Dangerous Drugs agree that representatives of each of the agencies can best contribute to the total country team effort to suppress the movement of narcotics and dangerous drugs by working cooperatively but maintaining agency identity and focusing efforts according to their respective domestic statutory responsibilities. This will be carried out under the technical direction of their respective agencies. The senior representatives of both Customs and BNDD will be members of the country team.

5. Customs is to concentrate on the development of intelligence concerning people and transportation means used to facilitate smuggling (routes of travel, methods of transportation, and places of concealment). BNDD is to concentrate on producers, refiners, and distribution organizations. Each customs and BNDD representative is expected to cooperate wholeheartedly in matters of mutual concern under the general policy requirements of the chief of mission.

6. Customs will appoint coordinators to work with BNDD regional directors in Paris, Bangkok, Manila, Mexico City, and Buenos Aires to insure intra- and inter-regional cooperation and coordination among customs and BNDD personnel assigned to specific missions. Each agency will contribute information for analysis, dissemination and action to all mission elements involved in the U.S. Government anti-narcotic activities. Each agency will input and use the central source registry. The CIA's role in international narcotics control is to remain as defined in REFTEL.

7. The commissioner of customs and director of BNDD have agreed that there will be the fullest possible cooperation and exchange of information between their agents. To this end, customs and BNDD personnel will be located in the same or adjacent office space if at all possible.

8. The chief of mission has authority and responsibility to ensure that the requisite cooperation and exchange of information between the two agencies is effected within his mission and in their communications with their regional and Washington headquarters.

9. The chief of mission has the authority to review all outgoing communications and will receive copies of all incoming traffic. In operational matters the chief of mission must be kept fully informed by representatives of each agency and contacts with the host government must be conducted with his knowledge and concurrence.

10. Information on customs use of the NAROP channel or an equivalent communications capability will be forthcoming as soon as details are resolved. Until that time, no change will be effected concerning existing usages.

11. Action taken in response to this cable should be reported not later than August 3, 1972. Rogers.

[Excerpt from Office of Management and Budget]

SPECIAL ANALYSIS R: FEDERAL PROGRAMS FOR THE CONTROL OF DRUG ABUSE

Overview.—Spending for Federal drug abuse prevention and drug law enforcement programs has increased from $150 million to $719 million since 1971, a fivefold increase in 3 years.

TABLE R–1. *Estimated spending for drug abuse prevention and drug law enforcement programs*

[In millions of dollars]

Fiscal year:	*Outlays*
1971	150.2
1972	413.2
1973	654.8
1974	719.0

Federal *drug law enforcement programs* are designed to reduce the *supply* of illicit narcotics and dangerous drugs available in the United States. Federal obligations for such programs will rise in 1974 to $257 million from $36 million in 1969, a sevenfold increase. These programs include such activities as international law enforcement cooperation and cooperative Federal-State-local law enforcement efforts to identify and arrest street-level pushers.

Drug law enforcement program activities are closely linked to drug abuse prevention. Law enforcement efforts that reduce the supply of drugs also serve to lower drug potency and drive up the price of drugs, thus reducing experimental usage. Together, higher prices combined with lower potency and scarcity can motivate abusers to seek treatment.

Federal *drug abuse prevention programs* are designed to reduce the *demand* for illicit narcotics and dangerous drugs. Activities funded include: treatment programs for addicts; drug abuse education; research; and training. Total estimated Federal obligations for drug abuse prevention programs will rise in 1974 to $528 million from $46 million in 1969. These activities account for 67% of the total Federal funds for drug abuse programs in 1974.

Highlights of the drug law enforcement effort include:

Substantial increases in funding and manpower for both the Bureau of Narcotics and Dangerous Drugs and the Bureau of Customs. These funds support concentrated attacks on smuggling and increased domestic and international investigation of major drug traffickers. In 1972, the Departments of Justice and Treasury removed from the U.S. market or seized overseas:

5,613 pounds of heroin,

887 pounds of cocaine,

451,800 pounds of marihuana, and

220 million dosage units of dangerous drugs.

Initiation of a coordinated attack on drug trafficking in over 40 target cities by teams of narcotics agents from Federal, State, and local law enforcement agencies. The Office of Drug Abuse Law Enforcement was responsible for 4,245 arrests since the spring of 1972.

An intensified investigation of the income tax returns of middle and upper level narcotics traffickers aimed at reducing the amount of working capital available for illegal drug operations by assessing and collecting taxes and penalties on unreported income.

Development of a national narcotics intelligence system to assure proper analysis and distribution of trafficking intelligence information.

Activation in 1972 of the ban on cultivation of the opium poppy in Turkey and formulation of narcotics control action plans in 59 foreign countries to secure international cooperation in the global war on heroin.

Preparation and release in 1972 of The World Opium Survey, presenting a comprehensive picture of the location and quantity of opium poppy cultivation.

Establishment of special narcotics courts in New York City with Federal assistance to assure rapid prosecution of narcotics offenders.

Development of the Treatment Alternatives to Street Crime program (TASC), linking the criminal justice system to the treatment system. Under this program, drug abusers who are arrested can be placed in treatment to reduce street crime and improve social adjustment.

Highlights of the drug abuse prevention effort include:

An expansion of federally funded treatment facilities, providing the capacity to treat 100,000 addicts annually. Funds will be available to expand the capacity for addict treatment to over 250,000 addicts by mid-1974, if necessary. More federally funded treatment facilities were created in 1972 than in the previous 50 years.

A nationwide review of all methadone maintenance programs. As a result of that review, new methadone regulations were issued on December 15, 1972, designed to assure high quality treatment for addicts and to prevent illicit diversion of this synthetic narcotic substance.

A worldwide treatment and rehabilitation program for military servicemen, including a large scale screening and early intervention program to identify and treat drug abusers before they become dependent. From June 17, 1971 to September 30, 1972, 250 drug treatment and rehabilitation facilities were activated. During this period, an average of 8,500 servicemen were receiving treatment.

A newly developed Veterans Administration treatment system that offered care to more than 20,000 veterans in 1972.

Total estimated obligations for drug law enforcement will rise in 1974 to $257 million from $228 million in 1973 and $164 million in 1972. Drug law enforcement programs account for 33% of the total funds available in 1974 for drug abuse. Detailed obligations

by both program category and agency are shown in a table at the end of this analysis.

TABLE R-2.—DRUG LAW ENFORCEMENT OBLIGATIONS

[In millions of dollars]

Agency	1972	1973	1974
Justice:			
LEAA	19.6	36.3	44.1
BNDD	63.3	70.5	74.1
Other Justice		2.2	6.7
State	1.0	1.5	1.5
Agency for International Development	20.7	42.7	42.7
Treasury:			
IRS	10.1	18.9	19.7
Customs	46.9	54.3	66.2
Agriculture	2.1	1.8	1.8
Transportation	.1	.1	.1
Total	163.8	228.3	256.9

This increase reflects an intensified effort to deny narcotics to abusers and addicts by halting production and trafficking from abroad, interdicting narcotics smuggling at national borders, and preventing the sale of drugs on city streets.

The *Office for Drug Abuse Law Enforcement* (DALE) in the Department of Justice conducts operations against street pushers with criminal investigators from BNDD and Customs and with special U.S. Attorneys. These groups serve on task forces with State and local enforcement personnel in over 40 target cities. Special grand juries expedite consideration of cases. In its first 8 months of operation, DALE arrested 4,245 alleged heroin pushers and convicted 470.

The *Office of National Narcotics Intelligence* (ONNI) in the Department of Justice was created to bring together all information regarding production, smugglers, trafficking, and sale of drugs. ONNI brings together intelligence information, coordinates and analyzes the information, and disseminates combined reports to Federal and State and local enforcement agencies for their use.

The *Bureau of Narcotics and Dangerous Drugs* (BNDD) in the Justice Department increased its agents and compliance officers in the United States and overseas from 808 in 1969 to 1,652 in 1973. Its principal activities include the investigation of major drug traffickers; enforcement of Federal antidrug laws; the conduct of research and specialized drug training programs for foreign law enforcement agents; and the provision of technical assistance to Federal, State, and local personnel. BNDD supported foreign governments in seizing 4,342 pounds of hard drugs and 115,000 pounds of marihuana from illicit foreign markets in 1972 compared to 3,173 pounds of hard drugs and 40,000 pounds of marihuana in 1971.

The *Law Enforcement Assistance Administration* (LEAA) in the Department of Justice provides financial support for State and local drug law enforcement efforts.

The *Bureau of Customs* in the Department of the Treasury is responsible for the interdiction of illicit drugs at U.S. borders. Over the past 4 years, Customs has increased its personnel in order to expand its efforts to monitor traffic at points of entry, police borders, and conduct research into drug detection techniques. The Bureau seized 1,077 pounds of hard narcotics and 218,500 pounds of marihuana in 1972.

The *Internal Revenue Service* (IRS), also within the Treasury Department, attacks mid-level and top-ranking traffickers through intensive investigations of incomes and tax returns. An estimated $10.1 million has been spent on IRS activities in 1972. In 17 months, IRS has assessed $82.5 million in taxes, collected $15.8 million in currency and property, and obtained 44 indictments and 20 convictions.

The *Department of State* is responsible for mobilizing the efforts of foreign governments aganist the overseas production and distribution of narcotics and dangerous drugs, and for coordinating the narcotics programs of all Federal agencies abroad. The *Agency for International Development* (AID) in the Department of State assists other countries in stopping the illicit production, processing, and traffic in narcotics. AID provides equipment, training in narcotics control techniques, and assistance for development of alternative crops or other income-producing activities.

The *Department of Agriculture* supports research projects to develop means of eradicating the opium poppy and develop suitable substitute crops.

The Department of Transportation enforces narcotics laws through the *Federal Aviation Administration* (FAA) and the *Coast Guard*. FAA supports Federal, State, and local authorities in their efforts to combat use of commercial planes in smuggling, and the Coast Guard polices coastal waterways and ports.

DRUG ABUSE PREVENTION PROGRAMS

Drug abuse prevention programs support: the treatment of addicts; activities designed to prevent drug addiction; the education and training of individuals; and research into all medical aspects of drug abuse treatment and rehabilitation.

Total estimated Federal obligations for drug abuse prevention will rise in 1974 to $528 million. Prevention programs may be subdivided into:

Directed programs specifically earmarked for drug abuse purposes and generally funded directly by a Federal agency.

Bloc grant and financing programs over which the Federal Government exercises minimal direct control, e.g., public assistance and Federal bloc grant programs.

The following table summarizes aggregate Federal obligations for drug abuse prevention programs for selected years from 1969.

TABLE R-7.—DRUG LAW ENFORCEMENT FUNDING

[In millions of dollars]

Agency	Law enforcement	Education/information	Training	Research	Evaluation	Plan/coordination/support	Total
1972 OBLIGATIONS							
Justice:							
Law Enforcement Assistance Administration	16.6			3.0			19.6
Bureau of Narcotics and Dangerous Drugs	49.5		2.7	1.5		9.6	63.3
State	1.0						1.0
Agency for International Development	20.7						20.7
Treasury:							
Internal Revenue Service	10.1						10.1
Bureau of Customs	42.8			.5	0.2	3.4	46.9
Transportation	.1						.1
Agriculture				2.1			2.1
Total	140.8		2.7	7.1	.2	13.0	163.8
1973 OBLIGATIONS							
Justice:							
Law Enforcement Assistance Administration	30.3			6.0			36.3
Bureau of Narcotics and Dangerous Drugs	57.7		2.8	1.6		8.4	70.5
Drug Abuse Law Enforcement	.2						.2
National Narcotic Intelligence	2.0						2.0
State	1.4	.1					1.5
Agency for International Development	42.7						42.7
Treasury:							
Internal Revenue Service	18.9						18.9
Bureau of Customs	49.0			0.8	0.2	4.3	54.3
Transportation	.1						.1
Agriculture				1.8			1.8
Total	202.3	0.1	2.8	10.2	.2	12.7	228.3
1974 OBLIGATIONS							
Justice:							
Law Enforcement Assistance Administration	34.1			10.0			44.1
Bureau of Narcotics and Dangerous Drugs	60.0		2.9	2.0		9.2	74.1
Drug Abuse Law Enforcement	3.7						3.7
National Narcotic Intelligence	3.0						3.0
State	1.4	.1					1.5
Agency for International Development	42.7						42.7
Treasury:							
Internal Revenue Service	19.7						19.7
Bureau of Customs	58.1			2.6	.2	5.3	66.2
Transportation	.1						.1
Agriculture				1.8			1.8
Total	222.8	.1	2.9	16.4	.2	14.5	256.9

EXCERPTS FROM FEDERAL PROGRAMS RELATING TO THE CONTROL OF DRUG ABUSE

(By Barbara Puls, Education and Public Welfare Division, Congressional Research Service, Library of Congress)

INTRODUCTION

In June of 1971, President Nixon identified drug abuse as "America's public enemy number 1." The statistics relating to drug abuse indicate how widespread and costly the problem has become. The Bureau of Narcotics and Dangerous Drugs has estimated that as of December 31, 1971, there were about 559,000 narcotic addicts in the United States. A report released in October 1972, by a New York State commission on education found that 45% of the high school students in New York City are using hard or soft drugs. Up to 50% of all metropolitan area property crime is believed to stem from the addict's need to support his habit. A study conducted by psychologists at UCLA for the Bureau of Narcotics estimated that drug addiction is costing the U.S. more than 4.7 billion dollars annually in crime, enforcement, treatment and research expenses—to say nothing of the tragic human loss.

In response to the increasing number of problems related to drug abuse, the Federal

government has been expanding its efforts significantly over the past several years to prevent drug addiction and to treat and rehabilitate those who have become drug dependent. New programs have been developed, existing programs have been expanded, and appropriations have been sharply increased (see chart, "Federal Drug Abuse Programs—Estimated Obligations Summary"). More than 30 agencies, departments, offices, and commissions now operate programs which in some way attack the problem of drug abuse.

As more and more agencies became involved in drug abuse prevention activities, the need arose for coordination of the Federal effort. Therefore, in June 1971, the President created by Executive Order the Special Office for Drug Abuse Prevention (SAODAP) in the Executive Office of the President. In March of 1972, Congress established SAODAP as an independent office with passage of the Drug Abuse Office and Treatment Act of 1972. The primary function of SAODAP is to coordinate all major Federal drug abuse prevention programs relating to education, training, treatment, rehabilitation, and research. The Special Action Office is charged with setting goals, establishing priorities, evaluating performance, and specifying how Federal resources of funds, programs, services and facilities shall be used to combat drug abuse in the United States.

LAW ENFORCEMENT

I. Department of Justice

A. Bureau of Narcotics and Dangerous Drugs (BNDD)

The Bureau of Narcotics and Dangerous Drugs was established in the Justice Department by Reorganization Plan No. 1 of 1968. Its primary mission—to prevent narcotic and dangerous drug abuse through law enforcement—is accomplished through (1) controlling legally manufactured drugs, and (2) through suppressing the illicit drug traffic. BNDD's activities include working with officials of foreign governments to halt the international drug traffic, immobilizing domestic illicit drug distribution networks, preparing cases for prosecuting drug law violators, and seizing drugs subject to Federal control. BNDD also provides technical assistance to States and local governments in the form of drug evidence analysis, testimony in court, advisory services and counseling, and dissemination of technical information concerning narcotics and other abused drugs. The Bureau assists States in drafting enforcement and regulatory legislation relating to controlled substances, and it offers training programs to acquaint appropriate professional and enforcement personnel with techniques of investigation, analysis, and other aspects of drug abuse law enforcement.

B. Law Enforcement Assistance Administration (LEAA)

Under Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (see "Treatment and Rehabilitation" section), States can receive block grants for the planning, establishment and operation of narcotic and dangerous drug enforcement units. Under the discretionary fund program, cities and counties may be granted supplemental support for projects directly addressing law enforcement and crime control needs, including rehabilitation, education and enforcement programs.

C. Office of Drug Abuse Law Enforcement (DALE)

DALE was created by Executive Order No. 11641 on January 28, 1972, to develop and implement a concentrated program for enforcement of laws relating to drug abuse control. DALE task forces, which are investigation-prosecution teams consisting of Federal investigators, attorneys, Assistant U.S. Attorneys, and State and local police officers, operated in 34 target cities in 1972. These task forces are designed to maximize the campaign to stamp out the illegal drug traffic through effective law enforcement. DALE also operates the "Heroin Hotline" through which citizens may report information regarding alleged narcotics law violators in strict confidence.

D. Office of National Narcotics Intelligence

The office of National Narcotics Intelligence was created by Executive Order No. 11676 on July 27, 1972, to serve as a clearinghouse for Federal, State and local law enforcement agencies to collect and disseminate intelligence on the illegal drug traffic and traffickers. The office is not given independent authority to collect information or investigate drug-related cases; all information is supplied to the office by existing agencies.

E. Criminal Division

The Narcotic and Dangerous Drug Section of the Justice Department's Criminal Division was established as part of the 1968 reorganization plan. This section supervises all Federal prosecutions for criminal violations of the laws relating to narcotics and dangerous drugs. It is also responsible for litigation to commit addicts under the authority of the Narcotic Addict Rehabilitation Act.

F. Immigration and Naturalization Service

The Service's Border Patrol is responsible for cooperating in preventing the smuggling of narcotics and dangerous drugs across the U.S. border at places other than ports of entry.

II. Department of the Treasury

A. Bureau of Customs

The Bureau of Customs is responsible for preventing the illegal entry of drugs into the country by seizing such substances at border points and ports of entry. The Bureau makes use of the Customs Automated Data Processing Intelligence Network (CADPIN) which contains the records of known and suspected smugglers and related data. The Detector Dog Program, which was initiated in August 1970, is directed mainly against the smuggling of marihuana and hashish. "Operation Cooperation," which is a joint U.S.-Mexican effort, is a Custom's operation designed to reduce the flow of illegal drugs into the United States from over the Mexican border.

B. Internal Revenue Service

IRS is involved in a systematic drive against middle and upper echelon distributors and financiers involved in narcotic trafficking for possible civil and/or criminal violations of the Internal Revenue Code. Traffickers are identified by BNDD, and local law enforcement agencies, and they are then investigated for possible prosecution on income tax evasion charges.

III. Department of State

A. Office of the Senior Advisor to the Secretary for International Narcotics Matters

This office has primary responsibility within the State Department for mobilizing and coordinating foreign and U.S. efforts to control the international narcotics traffic. Also, narcotics control coordinators have been assigned to all American embassies in countries affected by the narcotics problem either as narcotics-producing or narcotics-transit countries.

B. Agency for International Development (AID)

Economic assistance required by foreign countries to develop narcotics control programs is supplied by AID. In addition, the Agency trains foreign local officials, provides them with technical assistance, and procures equipment required for the narcotics programs approved by the Agency and the involved country.

IV. Department of Transportation

A. Coast Guard

The Coast Guard cooperates with Customs and BNDD by providing assistance to these agencies when they require the use of Coast Guard equipment or personnel during an investigation.

B. Federal Aviation Administration

The Federal Aviation Administration provides radar coverage for U.S. borders and flight information on aircraft when requested by agencies such as Customs and BNDD.

V. Cabinet Committee on International Narcotics Control

This Cabinet level committee, chaired by the Secretary of State, was established by the President on September 7, 1971. The committee is charged with formulating and coordinating all policies of the Federal government relating to the goal of eliminating the flow of illegal narcotics and dangerous drugs into the U.S. from abroad. In July of 1972, the committee issued its first report, "World Opium Survey 1972."

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

S. 943. A bill to provide for the establishment of an urban national park known as the Lowell Historic Canal District National Cultural Park in the city of Lowell, Mass., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BROOKE. Mr. President, it is with great pleasure that I reintroduce with Senator KENNEDY a bill to provide for the establishment of the Lowell Historic Canal District National Cultural Park. As I told this Chamber last May, the creation of an urban national park in Lowell, Mass., would represent an innovative means of grappling with the problems not uncommon to cities which have a rich historical tradition, but a declining industrial base.

This bill was first introduced before the 92d Congress by one of Massachusetts' most distinguished Congressmen, Representative Brad Morse, now Undersecretary General of the United Nations. His very able successor, Representative PAUL CRONIN has reintroduced the bill in the House with cosponsorship from every Representative in the Massachusetts delegation. Behind this measure lies the steady, dedicated work of the citizens of Lowell who have worked so closely with Representative Morse and now Representative CRONIN in making this idea a reality.

This legislation proposes that the historic mill section of Lowell be included within the national park system, under The Natural Cultural Park category. Lowell is uniquely qualified for this honor. Established over 150 years ago, this great city was the first in America planned entirely for industry. It has over 5 miles of canals which once were the lifeblood of the most productive textile mills in America. To these mills came people with wonderfully divergent ethnic backgrounds blessing Lowell with a unique cultural heritage.

However, modern technology has initiated a new industrial revolution and the city of Lowell has suffered unfortunate consequences. The once proud mills now lie silent. A booming economy now

recoils with one of the highest unemployment rates in the Nation. Yet, far from despairing, the citizenry has banned together to come to grips with the difficult task of constructing a new economic and cultural base from the remains of the past.

Herein lies the beauty of this bill. Rather than disturbing or disbanding its past, this bill would build on it, bringing a fresh approach to the revival of Lowell's economy. The program includes proposals for the restoration and beautification of the canal system; the reactivation of one of the mills, complete with 18th-century looms; technological exhibits and museums; and the re-creation of an early settlement and/or Indian village.

Mr. President, I suggest that, under the Interior Department's program to bring the parks "closer to the people," the city of Lowell more than meets the National Park Service's criteria for the preservation of national cultural sites and ways of life. Proposals are judged on factors such as the significance of the parks to the heritage of the United States, as well as the site's suitability to the preservation and interpretation of American history. And, most importantly, a proposed park should not cause undue intrusion or disruption to the city.

The possibility of an urban national park is indeed exciting. Last May, I read into the RECORD an editorial from the Lowell Sun which captured the enthusiasm throughout Lowell for this project. I share their enthusiasm and I hope the Congress will bestow upon this great city the unique and challenging honor of developing an urban national park.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of preserving and interpreting for the educational and inspirational benefit of present and future generations the unique and significant contribution to our national heritage of certain historic and cultural lands, waterways, and edifices in the city of Lowell, Masachusetts, the cradle of the industrial revolution in America as well as America's first planned industrial city, with emphasis on harnessing this unique urban environment for learning as well as recreation, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to establish the Lowell Historic Canal District National Cultural Park (hereinafter referred to as the "park"), as herinafter set forth.

SEC. 2. In furtherance of the purposes of this Act, the Secretary is authorized, with the concurrence of the Lowell Historic Canal District Commission established by section 4 of this Act, to designate certain properties in the city of Lowell, Massachusetts, for establishment as the park. Such designation shall include the historic mill section of the city, bounded by the Pawtucket, Hamilton, and Eastern Canals and the Merrimack and Concord Rivers, which includes the Lowell Model Cities are know as the Acre, together with such additional property as may be necessary or desirable for the interpretation, administration, and public use of the park.

SEC. 3. Within the area designated pursuant to section 2, the Secretary is authorized to acquire lands and interest therein and personal property related thereto by donation, purchase with donated or appropriated funds, or exchange, except that property owned by the State of Massachusetts or any political subdivision thereof may be acquired only with the concurrence of the owner.

SEC. 4. (a) There is hereby established the Lowell Historic Canal District Commission. The Commision shall consist of the Secretary and the Director of the National Park Service, ex officio, and the following:

(1) one member to be appointed by the Secretary;

(2) three members to be appointed by the mayor of the city of Lowell, Massachusetts;

(3) one member to be appointed by the Governor of the State of Massachusetts; and

(4) one member to be appointed by the Secretary of Housing and Urban Development.

(b) The initial terms of the members of the Commission shall be staggered, as determined by the Secretary, in order to assure continuity in the administration of the Commission. Thereafter the term shall be six years unless a successor is chosen to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, in which event the successor may be appointed only for the remainder of the term. A member of the Commission may serve after the expiration of his term until his successor has taken office.

(c) The Secretary shall be the Chairman of the Commission and the Director of the National Park Service shall be the Secretary of the Commission. The Commission shall elect other officers, as appropriate, from among its members.

(d) The Commission shall act and advise by affirmative vote of a majority of the members thereof.

(e) A member of the Commission shall serve without compensation, as such, but the Secretary is authorized to pay the expenses reasonably incurred by members of the Commission in carrying out their responsibilities under this Act.

SEC. 5. The functions of the Commission shall be to prepare a plan for all educational and recreational uses and interpretive activities within the park, to establish standards for the design, construction, reconstruction and restoration, and operation of facilities necessary for such uses, and to advise and consult with the Secretary concerning the execution of the plan and adherence to the standards.

SEC. 6. The park shall be developed, interpreted, administered, and maintained by the Lowell Historic Canal District Commission, through the Secretary. The Secretary is authorized to develop, interpret, administer, and maintain real and personal property within the park, whether or not title thereto is in the United States, in accordance with the laws applicable to the national park system, and in accordance with the plan standards applicable to the park established by the Commission.

SEC. 7. (a) Within the park the Secretary is authorized to cooperate and enter into agreements with the Commission, State and local public bodies, and private interests relating to the acquisition, planning, development, or use of real and personal property or interests therein for educational, cultural historic, or recreational purposes, pursuant to which the Secretary may provide all technical assistance (including that relating to planning, designing, and operating of integral facilities), advice, construction supervision, and training of personnel in regard thereto.

(b) When any private individual, partnership, corporation, or other nonpublic body shall enter into an agreement with the Secretary to construct, maintain, and operate a public use facility in accordance with the plan and standards established by the Commission then, any other provision of law notwithstanding, the Secretary may agree, on behalf of the United States, to indemnify such person from tort liability arising out of the public use of such facilities: *Provided,* That such indemnification shall be effective only during such times as any facility is operated in accordance with the plan and standards established by the Commission.

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. TAFT:

S. 945. A bill to authorize the Secretary of the Interior to establish and operate a National Museum and Repository of Black History and Culture at or near Wilberforce, Ohio. Referred to the Committee on Labor and Public Welfare.

Mr. TAFT. Mr. President, on March 4, 1971, I introduced S. 1122, a bill to establish a national museum in Wilberforce, Ohio, devoted to the great contributions which black Americans have made to our national life. Regrettably, no action was taken on that measure in the 92d Congress and I reintroduce that bill today.

A companion measure, H.R. 3785, was introduced in the House of Representatives by Congressman CLARENCE BROWN of Ohio on February 6, 1973.

There are hundreds, if not thousands, of museums in the United States recognizing various facets of American life. However, to my knowledge, there is no national museum containing representative samples of the broad contributions which blacks have made to American arts, letters, science, technology, religion, politics, education, and entertainment. This bill would authorize the Secretary of the Interior to establish a museum and acquire the necessary facilities. Funds would come from private gifts and appropriations from the Federal Government.

I believe that Wilberforce is a particularly appropriate area for this museum because it was a center for the abolition movement and was a part of the "underground railroad" which assisted slaves fleeing to the North in their quest for freedom during the 1800's.

Today, Wilberforce is the home of Central State University and Wilberforce University which are both predominantly black institutions. Officials from these instituitons have urged the creation of this museum and I hope that the 93d Congress will enact this bill so that we can at long last undertake this appropriate recognition of the great and growing contribution of blacks in the development of American society.

By Mr. STEVENSON:

S. 946. A bill to authorize the Secretary of the Interior to enter into contracts with, or make grants to, the several States and other entities to assist them in carrying out demonstration projects involving the reclaiming of lands which have been strip mined. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENSON. Mr. President, I am today introducing a bill to authorize the Secretary of the Interior to make Federal grants to assist demonstration projects to reclaim strip-mined land through the use of solid and liquid residues from sewage treatment processes. The bill

would authorize $20 million for this purpose.

It would be hard to find projects in the environmental field as exciting and as potentially rewarding. Solid and liquid residues from the waste treatment process—primarily sludge, which sewage districts have a difficult time disposing of—can be used to reclaim lands ravaged by strip mining. Sludge is rich in organic and inorganic solids and is similar tc fertilizer or rich soil. By application of these wastes, otherwise useless lands are made useful, and otherwise useless materials are used for productive purposes—reclamation and recycling.

Such a concept is not a dream or on a drawing board. I have seen the beginnings of such a project in Fulton County, Ill. The Metropolitan Sanitary District of Chicago is disposing of its wastes efficiently and economically and at the same time reclaiming thousands of acres of strip-mined land. The sludge is shipped by barge from Chicago to basins constructed along the Illinois River in Fulton County. There the sludge is mixed with water and "spray-irrigated" over the strip-mined lands.

The process is working. In fact, the results thus far have been amazing. The growth of corn on untreated land was stunted—about 3 feet. But on treated land, the corn grew fully to 8 feet. There are also indications that even on the most acidic soil trees can be made to grow—and the strip-mined land reclaimed for recreational and forestry purposes.

The Illinois projects—another smaller project is underway in the Shawnee National Forest—have shown great promise. They are only a portent of things to come:

Sewage districts in California and New York have become interested in the Illinois projects;

Large cities along our coasts which henceforth will be banned from dumping sludge into the oceans because of the recently enacted ocean-dumping law are searching for new ways to dispose of their wastes;

The U.S. Forest Service is closely watching the Illinois projects because of the prospect of making forests out of virtual deserts.

Unfortunately, such projects cost money. Although this process promises to be cheaper and more effective than presently used methods of disposing of sludge—in addition to utilizing a heretofore wasted resource and reclaiming wasted lands—it is still in the demonstration stage. Only portions of such projects would be eligible for waste treatment grants under existing water pollution legislation, and the inadequacy of money from this source is compounded by the President's announcement that he intends to impound over half of the funds authorized by the Congress for waste treatment plants. But even if all the authorized funds were obligated, most if not all of the money provided under the waste treatment programs, and would not be available for demonstration programs. Other funding sources must be found.

This bill can provide such a source. It cannot begin to pay the total costs of such demonstration projects, but it can help make such projects possible. I am hopeful that Congress will act on this measure quickly, for it can provide much-needed funding for important and truly innovative projects.

I ask unanimous consent that at the end of my remarks the text of the bill be printed.

I also ask unanimous consent that three articles be placed in the RECORD at the conclusion of the printing of the bill—an editorial from the Chicago Daily News of Monday, February 5, 1973, praising the Fulton County, Ill., reclamation project; an article entitled "The Value of Sludge," from the September 27, 1971 issue of Time; and a cover story entitled "Chicago Reclaiming Strip Mines With Sewage Sludge," from the September, 1972 issue of Civil Engineering. The Time article discusses the Fulton County project in terms the layman can understand, while the Civil Engineering story is more detailed and technical and aims at the professional engineer. Both articles, however, discuss the project in glowing terms.

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

S. 946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior is authorized to enter into contracts with, and make grants to, the several States (including political subdivisions thereof), institutions, agencies, and organizations to assist such States, subdivisions, institutions, agencies, and organizations in carrying out demonstration projects involving the reclaiming, through the use of solid and liquid residues from sewage treatment processes, of land which, as a result of the operation of any surface or underground mine, have been strip mined.

(b) Such contracts shall be entered into, and such grants shall be made, in such manner and subject to such conditions as the Secretary may determine.

(c) As used in this Act, the term "States" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam.

SEC. 2. There is authorized to be appropriated $20,000,000 to carry out the provisions of this Act.

SLUDGE'S BOUNTIFUL HARVEST

In these days of recycling to improve the environment, few experiments are more interesting than the Chicago Sanitary District's "Prairie Plan" in Fulton County, some 150 miles southwest of the metropolis. This is the locale of Edgar Lee Masters' "Spoon River Anthology," but years of strip mining for coal have left much of the land ravaged and scarred—offensive to the eye and incapable of sustaining crops.

But in co-operation with the Fulton County Board, the Sanitary District has converted 800 of the 28,000 mutilated acres into highly profitable farmland. This is but a small demonstration project, and the elixir that wrought the miracle is "liquid fertilizer"—the watery residue of the district's sewage treatment process. More often called sludge, it consists of human and industrial wastes that have been separated, treated and stabilized—freed of harmful bacteria and other offensive properties.

Feed corn planted in the infertile mined-out strips and laced with generous applications of the nutrient-rich sludge produced huge stalks, with ears nearly three times the size of those grown on untreated land. District President John P. Egan has just finished totting up last year's harvest—44,800 bushels of corn that fetched $52,241 for the district on the open market. In the growing season this year, the district will plant most of the 11,000 acres it owns, not only in corn but in soybeans and other feed crops. And there will be sludge for the asking for farmers who want to join in the experiment.

The fastidious may have some qualms about sludge, but Milwaukee has been drying out its own for years and selling it profitably to home gardners throughout the country under the trade name Milorganite. The Sanitary District's liquid fertilizer is simply Chicorgonite that hasn't been put through the wringer.

If it takes hold in Fulton County, it offers a logical recycling solution for the quick ecological restoration of more than 150,000 acres of strip mining land in Illinois. And in Spoon River country it could be that the descendants of Master's Lucinda Matlock may ramble again as she once did "over fields where sang the lark," gathering "many a flower and medicinal weed—Shouting to the wooded hills, singing to the green valleys."

THE VALUE OF SLUDGE

Day after day, residents and industries in the Chicago area flush 1.5 billion gallons of raw wastes into the city's sewers—out of sight and mind. The flushings become the metropolitan sanitary district's Sisyphean task; the engineers must not only treat the ceaseless torrents of raw sewage but also find some place to put the day's residues—and space for such byproducts is limited. Yet Chicago now seems to have solved the dilemma with such practical and ecological wisdom that its program may well become a model for other cities while incidentally and fortuitously reclaiming some of the U.S.'s most ravaged land.

DESPISED ORIGINS

Like several other cities, Chicago purifies sewage with a combination of mechanical and chemical processes. One product is clean water. The other is "sludge," a black goo that smells like tar and has the consistency of pea soup. The sanitary district's problem has been what to do with the sludge. In the past, Chicago sold tons of dried sludge to Florida citrus growers as fertilizer. But drying the waste caused massive amounts of air pollution and was expensive ($59 a ton).

Trying to use it undried to fertilize farms in nearby Kankakee County proved a flop, because sanitation men ran up against a basic American prejudice. Though U.S. farmers have never hesitated to use animal manure, they quailed at the thought of sludge, which is basically purified human manure. Public outcry effectively banned sludge from the county. In desperation, the sanitary district dumped the goo into man-made "lagoons" that it had bulldozed years before into 450 acres of the potentially best industrial land around Chicago.

As the lagoons slowly filled, district engineers, aided by technicians from the University of Illinois, tested sludge in demonstration projects. The results were startling. The soupy product was easy to spray where needed with standard irrigation equipment and did not smell bad—both distinct advantages over animal manure. Better yet, used as a soil nutrient, it caused clay and even silicate sand to bloom. Still, nobody wanted sludge because of its despised origins. "We flew thousands of miles looking for people to take it," says Ben Sosewitz, general superintendent of the district. "Some people laughed at us. Though we had developed economical, beneficial methods of disposal, we were always frustrated by lack of public acceptance."

A year ago, officials from downstate Fulton County heard about sludge's marvels and

thought it might help solve their major problem. Blessed with abundant reserves of coal, the county was cursed with strip mining. Each year 2,500 acres of topsoil was peeled back, the coal gouged out, and the land rendered unfit for any use but as poor pasturages. In total, 40,000 acres of Fulton County had been ripped and scarred so completely that any remedy was welcome. Even sludge. Would the sanitary district like some of the land?

GOO SPRAY

District officials did not need to be asked twice. After buying 7,000 acres they set up a small test project. "It was amazing," says Bart T. Lyman, chief of maintenance and operations. "Corn planted on three acres of land treated with sludge grew eight feet tall. By comparison, the stalks on two acres of untreated land were stunted, only three feet high."

Barges now carry the sludge down the Chicago Sanitary and Ship Canal to Fulton County where it is stored in huge reservoirs. Next spring the goo will be sprayed over the torn, acidic land. If the sludge works as well as anticipated, the acreage will return to productivity, and the district expects to lease it for recreation and farming (corn, soybeans, hay). No air or water pollution attends the process, and disposal costs will in time be cut to $25 per ton.

Eventually the sanitary district expects to buy up to 50,000 acres of stripped land—enough to use all the sludge Chicago can produce. Since the U.S. already contains about 2,000,000 acres of similarly ruined land, lowly sewage may yet turn out to be a prized commodity, the salvation of landscapes of desolation.

CHICAGO RECLAIMING STRIP MINES WITH SEWAGE SLUDGE

(NOTE.—Figures and exhibits referred to are not printed in the RECORD.)

Early in the 1960's Sanitary District engineers recognized the need for better methods of sludge disposal. At that time, half the sludge from treating 1.5 billion gal/day (5.7 billion 1/day) of sewage—500 dry tons/day (454,000 kg/day)—was heat dried to 95% solids and the resultant fertilizer-base sold to a broker. But this drying operation created an air-pollution problem, odors and gases billowing out the stacks. Another problem was that much valuable urban land was still being used for long-term sludge lagooning.

To reduce the air-pollution problem, engineers installed scrubbers and precipitators switched from coal to gas for fuel, and added afterburners. Result? Stack emissions were cut from 200 to 5 tons/day (181,000 to 4540 kg/day). Long exposed to the unpleasant pollution, the public appreciated these pollution abatement measures. But the high cost of this process, and the fact that the dump site for air-dried Imhoff sludge was nearly filled, led to a Sanitary District search for less expensive alternatives.

ALTERNATIVES

So district engineers began to ponder the idea of shutting down the heat drying plant. But if they opted for that course, what would they do with all the liquid sludge? Lagoon it? With daily sludge volumes continuously mounting, the District was already pressing hard to find space for additional lagoons. But public objections ruled out constructing additional lagoons near the West-Southwest treatment works, where there were already some 400 acres (1.62 million m²) of lagoons—storing sludge accumulated over 20 years. Nearby residents objected to the odors they thought additional lagoons would bring and felt such valuable urban land could be put to a better use.

Incineration, dewatering, drying, improving existing sludge-disposal operations. These were other alternatives studied by Chicago engineers. Then, several years ago, MSD decided—following an intensive research program—the most attractive alternative was land reclamation.

The plan was to digest sludge and transport it to rural land beyond city limits. Spraying digested sludge on abandoned stripmined land, or on other areas with poor soils (e.g. low-grade pastures), would have several unique advantages: it would eliminate land, air, and water pollution stemming from sludge processing in the urban area; it would cost less than other sludge disposal methods; it would solve the problem once and for all—no more hunting for lagoon space in urban areas; and it would make beneficial use of the organic materials, nutrients, and water making up sludge.

Additionally, land reclamation was a proven method. For decades, many small cities around the world had spread sludge on crop lands—with beneficial results. The only thing new about the MSD sludge disposal scheme would be its size: whereas other cities had done it on a small scale, Chicago would now be reclaiming land on a large scale.

Since summer of 1971, the Metropolitan Sanitary District has been barging sludge to Fulton County, Illinois, about 200 miles (322 km) from Chicago (see Fig. 1). Currently about 7500 wet tons/day (6.8 million kg)—the equivalent of 410 dry tons/day (372,000 kg/day)—is being shipped. This is about 50% of the daily sludge production in the Metropolitan Sanitary District. In Fulton County the sludge is being stored in large holding basins. Just two months ago the District began spraying some of this sludge on a 400 acre (1.62 million m²) site in Fulton County. So far, daily applications are less than 1% of the sludge generated daily in the MSD.

WHAT'S THE SLUDGE LIKE?

Though referred to as a "solid" byproduct of sewage treatment, digested sludge is a dark gray liquid with 4 to 8% solids by weight—MSD engineers call it "liquid fertilizer." Sludge coming out of the high-rate digesters at the West Southwest treatment plant (see box 1) is 2.7% solids. This sludge is then mixed with higher-solids-content sludge, either from Imhoff facilities or filter cake, resulting in a sludge of 4% solids. It is this sludge that is now being barged to Fulton County. The district is currently experimenting with mixing thicker sludge from existing lagoons (15% solids) in the Chicago area. Hopefully, it will be able to transport much of this sludge to the land-reclamation site, recovering the lagoon space for higher priority uses.

Digested sludge contains nitrogen, phosphorus, and some potassium—the three basic elements needed for plant growth. The liquid portion contains about half of the nitrogen and a small amount of phosphorus. On the other hand, the solids contain the remaining half of the nitrogen and a large amount of the phosphorus. In contrast to inorganic commercial fertilizers, digested sludge is high in organic materials, high in humus content; this improves soil fertility and soil structure. The advantage of applying solids and water together is this: water not only irrigates but serves as a fertilizer, since it contains nutrients. This advantage is lost when fertilizing with just dried sludge. The solids in the digested sludge are similar to the dried-sludge fertilizer (see box 2).

SELECTING A RECLAMATION SITE

By far the biggest problem in implementing a land-reclamation project is finding suitable acreage for sludge application. Starting about two years ago, MSD looked for suitable sites within 50 miles (80.5 km) of Chicago. Their encounter in Kankakee County is revealing. When the District offered to purchase private marginal land, county citizens resisted. The reaction of some citizens was: "Chicago's not going to dump its waste out here." This public opposition forced the District to stop looking for land in that county. Up till that time, the MSD had eminent domain rights throughout the state. While some say it was a mere coincidence, the District shortly thereafter lost its eminent domain rights, except for in Cook County.

How did MSD finally get Fulton County, then? A low-density area, mainly with farmers and small towns, Fulton County had much disturbed stripmined land, where soft coal had been removed without significant land restoration for over 20 years. Farsighted Fulton County officials had been trying to return this land to a more productive state, to expand the economic base of the community and provide for continued growth. Because of the compatibility of their needs, District and Fulton County officials got together. Result? MSD purchased 7000 acres (28.4 million m²) from private landowners. In a key element of the agreement, the District, in spite of the fact it is a public agency, agreed to pay existing real estate taxes. Though farther from Chicago than originally hoped—about 200 miles (321 km)—the site was near both rail and water transportation and had good balance between agricultural and stripmined lands.

If *all* of MSD's sludge is to be spread on land, by the year 2000 it will need over 28,000 acres (113 million m²) of sludge-usable land. Thus, Chicago still needs much more land, which it is now actively looking for. To cut transportation costs, MSD hopes to build a pipeline from Chicago to the reclamation site. To be economical, though, the pipeline would have to go to only one site. So it is desirable to have future acreage either in the Fulton County area or along the pipeline route. Only half of the district's 7,000 acres (28.4 million m²) is suitable for cropland. (Cropland will absorb most of the sludge. Forest land is not a large consumer of sludge; unlike crops, trees are not cut down every year; thus, forests have a much lower nutrient uptake). The other half is lakes, forest land, or areas too steep to regrade economically. MSD's 7,000-acre (28.4 million m²) site will solve only 12.5% of MSD's sludge disposal problem.

Why did MSD *purchase* land rather than work with private farmers? MSD feels that for a large-scale project they need total control over the land. This is essential, to effectively manage application rates. The problem with working through farmers is that they control their application rates, times, etc. And according to one mid western agronomist, many farmers wouldn't use sludge even if you gave it to them. Pressed for time between plowing and planting, the farmer hasn't got much time to experiment around. Such farmers much prefer an inexpensive, high-concentration inorganic fertilizer like anhydrous ammonia (82% nitrogen) to the low-concentration sludge (only 5% nitrogen in the dry solids). But the sludge is highly suitable, says the agronomist, for stripmined lands and for areas that have poor soils, such as low-grade pasture lands. There, the organic content of the sludge is ideal for building up the humus content of the soil.

Beyond this, if MSD did not completely control the reclamation area, it would be unable to develop it into a multi-purpose—recreation, conservation, education, crop production, sludge utilization—area (see box 3). MSD, however, does use private farmers to work district-owned land.

Even after MSD had purchased the Fulton County site, winning the support of the citizens there was crucial. To do this, MSD involved county officials in developing the land-use plan (see box 3). And in a co-operative gesture, MSD leased—for one dollar—600

acres (2.44 million m²) of their land to the county for recreation.

SITE PREPARATION

Last year, the sanitary district began to prepare the Fulton County site for sludge application. Of 1200 acres (4.87 million m²) now under cultivation, about half had been disturbed by strip mining operations. Before crops could be planted, the surface was first leveled to a maximum 5% grade—to prevent rapid runoff of sludge. Next, earth berms were constructed around fields to direct runoff to natural containment reservoirs for monitoring and control. These reservoirs did not have to be constructed separately. They are the depressions resulting from strip mining.

Corn is now growing on 900 acres (3.64 million m²) of regarded strip-mined land. This land was not fertilized with liquid sludge prior to planting. Early in July the District began spraying sludge on the crops. MSD is also starting to cultivate another 400 acres (1.62 million m²).

Surface runoff resulting from rainfall or sludge application, after collecting in containment reservoirs, is automatically sampled. If not polluted, a gate is opened or a pump turned on, emptying water in the reservoir to a nearby stream. If polluted, though, water is recycled to the corn fields.

SLUDGE TRANSPORTATION

After leaving the high-rate digesters at the West Southwest treatment plant (see box 1), sludge is pipelined to storage tanks at a nearby loading dock. There, it is soon pumped aboard barges, which travel down a water channel to the Illinois River, and then down the Illinois 180 miles (290 km) to Fulton County. Each barge holds from 1600 to 3100 wet tons (1.4 to 2.8 million kg) of sludge. In a typical week there may be four tows, with each tow of four carges carrying 8500 to 10,500 wet tons (7.7 to 9.5 million kg) of sludge.

In the future, MSD hopes to build a pipeline to carry sludge from the WSW plant to Fulton County. This would cut transportation cost by an estimated 70% (see Fig. 2). New treatment plants being designed for northwest Cook County might pipe their sludge to the WSW plant. From there, it might be pumped through the common pipeline to Fulton County.

The barges tie up at Liverpool, Illinois, and the sludge is pumped to a nearby forced pumping station. Its 300 h.p. (224,000 W) Allis-Chalmers pump is sufficient to pump the sludge through a 20 in. (508 mm) pipeline to holding basins some 10.8 miles (17 km) away. The holding basins are 230 ft (70 m) above the pump station. Maximum flow through the pipeline is 3,000 gpm (0.19 m³-s). With no surge tank between the barges and the big pump station, flow to the pumping station varies, decreasing as the liquid level in the barges drops. Automatic controls adjust the pumping rate of the 300-h.p. pump to the pumping rate from the barges. The pumping system accommodates sludges up to 10% solids.

Since sludge is a non-newtonian fluid (i.e. viscosity decreases with rate of movement), there are no special problems in pumping. Solids do not settle out. The only tricky problem is in pumping sludge out of the barges (see Photo A). During the two-day trip from Chicago, solids settled out on the bottom of the barge.

FULTON COUNTY HOLDING BASINS

In August 1971, MSD started filling the first of three giant holding basins in Fulton County. The three basins, each separate from one another, have a total capacity of 8 million yd³ (6 million m³).

Why these basins? Their main function is to hold sludge until ready for land application. Land-application rates depend on rainfall, seasonal conditions, soil conditions, etc. Sludge is applied only 8 months of the year; distribution lines would freeze up in winter. Another purpose is to allow time for the sludge to age; it will be held a minimum of six months. Though it could be applied immediately, aging guards against objectionable odors. Finally, holding sludge may reduce its nitrogen content. In applying sludge to soil, it is important not to add more nitrogen than crops can assimilate. Otherwise, runoff will be polluted. But if the nitrogen in the sludge can be reduced, sludge application rates could be increased—a desirable goal. Presently, MSD is using mechanical aerators to stir air into its lagoons. Hopefully, this will stir the ammonia-laden sludge near the bottom to the surface, where the ammonia will evaporate. Will this sharply reduce sludge nitrogen? It's too soon to tell.

The sludge holding basins are built on tight clay soil. The bottom and sides of each lagoon are lined with a 24-in. (610 m)-thick packed clay blanket (95 Procter). Nearby, continuous monitors sample well water, providing immediate information on any changes in groundwater quality.

The lagooned sludge settles into two layers: a bottom layer of 10% solids (entering sludge has 6% solids); and a top layer (supernatant) of mostly water but with considerable nitrogen. This supernatant is a headache. What to do with it? Three possibilities: treat and discharge to a stream—but this appears too costly; pump to a nearby lagoon, aerate, then discharge to a stream; or spray the supernatant on forestland. Unfortunately, forestland doesn't assimilate a high volume of nutrients; unlike crops, trees are not cut down every year. Supernatant disposal remains a problem but MSD is pressing for a solution.

It is the settled layer—not the supernatant—that is pumped to croplands. A dredge floating on the lagoon sucks up sludge and pumps it to an on-shore holding tank. From here, sludge is pumped to a field distribution system and sprayed on cropland with conventional irrigation equipment.

SLUDGE DISTRIBUTION AND APPLICATION

The distribution system is made up of modular units, each consisting of pumps, an above-ground header system, and a "big gun" spray vehicle. The rotating spray gun is mounted on a carriage. In a typical field, the carriage may take all day to travel down a 1320 ft (402 m) path. Sweeping out an arc, the gun sprays up to 300 ft (91 m) (see cover). With the cable remaining in place, gun and carriage are then moved to another field. Three or four passes like this a year can apply the required volume of sludge.

Application rates in the first several years will be higher than in later years—to build up the barren stripmined soil. During the first year, at least 75 dry tons/acre (16.8 kg/m²) can be safely applied—without causing pollution. This will be tapered to 20 dry tons/yr (18,100 kg/yr) within five years (based on sludge with total nitrogen of 50 lbs/dry ton (25 kg/mt)).

Irrigation equipment can successfully apply sludge with less than 6% solids. Spray-gun nozzles of 2 in. (51 mm) diam. are used to minimize clogging.

Sprayed in a way that simulates natural rainfall, sludge falls on crop leaves, blackening them. Sun will dry this off in a few days—if rainfall doesn't wash it off sooner. From an esthetics viewpoint, flooding (ditch) irrigation is preferable. But land contours usually don't permit its use.

As the sludge filters downward through crop roots, bacteria transform sludge nutrients into a form usable by plants. The remaining liquid moves downward through the soil until diverted by impervious strata. It then moves horizontally through the ground until reaching a stream. Horizontal movement further filters the liquid. Eventually, the roots from a series of hedge rows surrounding farm fields will serve as an additional pollution barrier, as will heavily wooded stretches along stream banks. This natural filtering system should insure that water reaching the stream is of high quality.

At the present time, MSD has monitoring wells around cultivated fields, to check for ground water pollution. Since land currently under cultivation is removed from streams, hedge rows haven't been planted around fields or along streams.

By Mr. TUNNEY:

S. 947. A bill to amend the Internal Revenue Code of 1954 to allow a business deduction under section 162 for certain ordinary and necessary expenses incurred to enable an individual to be gainfully employed. Referred to the Committee on Finance.

Mr. TUNNEY. Mr. President, I am introducing a bill today, which is simultaneously being introduced by Congressman CORMAN in the House, to amend the Internal Revenue Code to allow a business deduction for household and child-care expenses incurred by working mothers and certain other individuals to enable them to be gainfully employed.

The basic principle of this bill—allowing this deduction as a business rather than a personal expense—has already received overwhelming support in the Senate. On November 12, 1971, the Senate adopted my amendment to the Revenue Act of 1971 to create the business deduction by a vote of 74 to 1, but the amendment was eliminated in conference.

A clean bill plus an amendment to H.R. 1 were then introduced at the beginning of last year. On October 5, 1972, my amendment passed the Senate by an overwhelming majority. In conference, however, the amendment was again eliminated. This new bill would reaffirm the Senate's prior action in support of the business deduction.

It is my belief that the time has come to remove the inequity in our tax laws which enables businessmen to deduct "ordinary and necessary" business expenses, yet denies to working mothers a deduction for the most "ordinary and necessary" business expense they incur—the cost of maintaining their households and assuring safe and responsible care for their children while they work.

If a businessman can deduct the cost of hiring a secretary to improve his effectiveness in working, if he can treat his entertainment expenses as a tax deduction, how is it just that a working mother should not be allowed the same sort of deduction for expenses which are even more vitally related to her work? What can be more of a business expense than one which basically enables her to work, or enables her to work to the full extent of her capacities?

These are not personal expenses, like doctors' bills. They should not be classified, as they are now, with charitable contributions. They are ordinary and necessary expenses incurred to enable an individual to be gainfully employed.

In 1971, 42 percent of the Nation's mothers worked outside the home. Of the approximately 12.5 million mothers with children under 6, more than one in

every three is working today. That means there were more than 4.3 million mothers with children under 6 who were in the labor force last year.

These are the people who simply cannot avoid paying for the care of their children and for other household expenses. Very often they have to lose a substantial proportion of their income to secure these services. Yet they are not allowed to take these considerable costs as a business deduction.

There are many reasons why mothers go out to work. At the lower income levels it is a matter of compelling financial necessity. Whether or not, they prefer to be full-time mothers, devoting all their care and attention to the family and the home, they do not really have the choice. They must work, they must produce a second income to keep their family out of poverty and provide even the basic necessities.

Others want to go out and earn some money so their families can live a better life, so their children can have access to wider opportunities, so they can more easily withstand the impact of rising costs and rising prices.

Others again want to work as a matter of self-fulfillment, to use their capabilities to take an individual's place in the community in the way that a man can, and is expected to, without any special obstacle.

Whatever the motivation for working, their problem in this area is the same. To be able to take employment and receive an income they must step over a much higher threshold than other people who want to enter the labor market. Not only do they have to find a suitable job. They must also obtain and pay for the care of their children and of their houses while they are away earning the income. These expenses are clearly work related.

In 1971, of all mothers of children under six, 10 percent—1.3 million of them—were single parents bringing up children without a husband. Half of these mothers held down a job.

For these women, and for many widowers or divorced men with families to care for, the fundamental character of these outlays as a business expense is even more explicit. There may be doubts about many of the expenses which businessmen run up in the name of business, and consequently take as tax deductions. But the expenses with which this bill deals are not for entertainment or for country club subscriptions. They are payments which are necessary for those families to be viable, self-supporting economic units.

There are many other income earners, both men and women, whose earning capacity depends on their ability to provide suitable care of a spouse or other dependent who is incapable of caring for himself.

Their situation is particularly difficult and demanding, physically and emotionally as well as financially. They have enough to handle without the additional difficulty of tax laws which limit the availability of a legitimate deduction for expenses involved in bringing in their family income.

All these groups are taxpayers, producing taxable income, but at present the tax laws fail to recognize the reality of the direct link between the expenses they incur and the income which is generated.

The main burden of the failure to allow a business deduction for such expenses as child care has, of course, fallen mainly on women. It places an unnecessary and unjustifiable obstacle in the path of women who wish to enter the employment market, and once they are in the market, it constitutes a built-in economic disadvantage to their efforts. It is not the result of any positive attempt to discriminate against women. It is rather the relic of a time when it was not the normal or accepted thing for mothers to go out to work. But times have changed. The proportion of mothers now working outside the home is more than double that of 25 years ago. In 1948, 18 percent went out to work. Now 42 percent do. The trend is continuing. Tax provisions should reflect the realities of the society to which they apply.

In the name of equity for working mothers now and in the future, the current situation should be changed.

It is true that the law as it stands at present, including the amendments of December 1971, provides some relief in this area, by allowing these expenses as a personal income tax deduction.

However, apart from the objection of principle that genuine business deductions should be treated as business deductions and not as personal deductions, there is a much more practical objection to leaving the existing provisions as they are.

This arises from the fact that some 68 percent of the families with earnings of $10,000 or less use the standard deduction form and do not itemize their personal deductions. As a result they do not get the benefit of the child care deduction. Yet these are often the people who most need and most deserve assistance from tax relief. They are people with modest to moderate incomes. They are people who are doing their best to be self-reliant and to improve their lot. They are often people who need a second income in the family to ward off the effects of inflation which others can bear with greater ease. They are people who need help and support, not discrimination against their efforts in the tax structure.

The bill allows a deduction for expenses paid or incurred during the taxable year for household services and for the care of one or more dependents of the taxpayer, but only if such expenses are "ordinary and necessary to enable the taxpayer to be gainfully employed." The deduction will be available on the same basis as any other business expense deduction subject to such rules and regulations as the Internal Revenue Service may prescribe.

It does not create another loophole in the income tax code. It is not a soft subsidy for those who do not need it. It simply is a correction of a basic inequity whose burden often falls heavily on those who have small capacity to bear it.

Mr. President, I ask unanimous consent that the full 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. 947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (h) as (i), and by inserting after subsection (g) the following new subsection:

"(h) CERTAIN EXPENSES NECESSARY FOR GAINFUL EMPLOYMENT.—

"(1) *In General.*—In the case of an individual who maintains a household which includes as a member one or more of the following qualifying individuals—

"(A) a child or stepchild of the taxpayer (within the meaning of section 152) who is under the age of 15,

"(B) a dependent of the taxpayer who is under the age of 15 or who is physically or mentally incapable of caring for himself or herself, or

"(C) the spouse of the taxpayer, if he or she is physically or mentally incapable of caring for himself or herself,

the deduction allowed by subsection (a) shall include the reasonable expenses paid or incurred during the taxable year for household services and for the care of one or more individuals described in subparagraph (A), (B), or (C), but only if such expenses are ordinary and necessary to enable the taxpayer to be gainfully employed.

"(2) MAINTAINING A HOUSEHOLD.—For purposes of paragraph (1), an individual shall be treated as maintaining a household for any taxable year only if over half of the cost of maintaining the household during such period is furnished by such individual (or if such individual is married during such period, if furnished by such individual and his or her spouse).

"(3) SPECIAL RULES.—For purposes of this subsection—

"(A) Married Couples Must File Joint Return.—If the taxpayer is married at the close of the taxable year, the deduction provided by subsection (a) shall be allowed only if the taxpayer and his spouse file a single return jointly for the taxable year.

"(B) Gainful Employment Requirement.—If the taxpayer is married for any period during the taxable year, there shall be taken into account employment-related expenses incurred during any month of such period only if—

"(i) both spouses are gainfully employed, or

"(ii) the spouse is a qualifying individual described in paragraph (1) (C) of this subsection.

"(C) Certain Married Individuals Living Apart.—An individual who for the taxable year would be treated as not married under section 143 (b) if paragraph (1) of such section referred to any dependent, shall be treated as not married for such taxable year.

"(D) Payments to Related Individuals.—No deduction shall be allowed under subsection (a) for any amount paid by the taxpayer to an individual bearing a relationship to the taxpayer described in paragraphs (1) through (8) of section 152(a) (relating to definition of dependent) or to a dependent described in paragraph (9) of such section.

"(E) Resolution for Certain Payments.—In the case of employment-related expenses incurred during any taxable year solely with respect to a qualifying individual (other than an individual who is also described in subparagraph (A) or (B) of paragraph (1) of this subsection and who is under the age of 15) the amount of such expenses which may

be taken into account for purposes of this section shall be reduced—

"(i) if such individual is 15 or older and is described in subparagraph (B) of paragraph (1) of this subsection, by the amount by which the sum of—

"(I) such individual's adjusted gross income for such taxable year, and

"(II) the disability payments received by such individual during such year, exceeds $750, or

"(ii) in the case of a qualifying individual described in subparagraph (C) of paragraph (1) of this subsection, by the amount of disability payments received by such individual during the taxable year.

For purposes of this subparagraph, the term 'disability payment' means a payment (other than a gift) which is made on account of the physical or mental condition of an individual and which is not included in gross income."

(b) Section 62(c) of the Internal Revenue Code of 1954 (relating to trade and business deductions of employes) is amended by adding at the end thereof the following new subparagraph:

"(E) Certain Expenses Necessary for Gainful Employment.—The deductions allowed under section 162 which consist of expenses allowable by reason of the application of subsection (h) thereof, paid or incurred by the taxpayer in connection with the performance by him or by her of services as an employee."

(c) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended—

(1) by striking out section 214 (relating to expenses for household and dependent care services necessary for gainful employment), and

(2) by striking out the item relating to section 214 in the table of sections for such part.

(d) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. MONDALE (for himself, Mr. JAVITS, Mr. STAFFORD, Mr. PELL, Mr. KENNEDY, Mr. HARTKE, Mr. HUDDLESTON, Mr. INOUYE, Mr. NELSON, Mr. BEALL, Mr. WILLIAMS, Mr. MCGOVERN, Mr. JACKSON, Mr. HUMPHREY, Mr. EAGLETON, and Mr. CHURCH):

S. 948. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees. Referred to the Committee on Government Operations.

EXCESS PROPERTY

Mr. MONDALE. Mr. President, I would like at this time to inform my colleagues that I am introducing today a bill which would provide a permanent authorization for the excess property program for Federal grantees.

The bill is identical to S. 3882, which I introduced in August of last year. I believe that the need for this legislation is just as great now as it was several months ago.

Last August, I introduced S. 3882 in an attempt to prevent the General Services Administration from its announced intention of discontinuing the excess property program for grantees. On November 14, GSA announced in the Federal Register that the program—

Will continue unchanged and a study will be conducted and a determination made as to the desirability for modification of this policy.

I ask unanimous consent to have printed in the RECORD a copy of a letter from M. S. Meeker, Commissioner of the Federal Supply Service, informing me of GSA's decision.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., November 10, 1972.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: On June 1, 1972, the General Services Administration (GSA) published in the Federal Register a proposed amendment to the Federal Property Management Regulations (FPMR) which, if adopted, would discontinue the use of GSA sources of supply and services, including excess property, by Federal grantees. Interested parties were invited to comment on this proposal within 30 days. The deadline for comments was extended to July 31, 1972, to accommodate numerous requests for an extension.

Comments on the proposed amendment have been evaluated. Based on this evaluation it has been determined, in concert with the Office of Management and Budget, that the interests of the country would best be served by discontinuing this grantee program with respect to the use of GSA sources of supply and services. On the basis of this decision, an appropriate amendment to the FPMR is being published in the Federal Register on November 14, 1972. The policy on acquisition and use of excess property, however, will continue unchanged and a study will be conducted and a determination made as to the desirability for modification of this policy.

This study will also review the regulations governing the donation of surplus property for the purpose of extending those benefits to all grantees who may be authorized as eligible donees under the Federal Property Act. Cost-reimbursement type contractors may continue to be authorized to use GSA sources of supply pursuant to Subparts 1–5.5 and 1–5.9 of the Federal Procurement Regulations.

Your comments and suggestions have been of great help to us in reaching these decisions, and the personal interest you have shown is appreciated.

Sincerely,

M. S. MEEKER,
Commissioner.

Mr. MONDALE. Mr. President, this administrative decision, however, does not guarantee that the colleges and universities, vocational schools, antipoverty programs and other Federal grantees will be able to continue to use the excess property program indefinitely. For example, in July, the Department of Health, Education, and Welfare unilaterally terminated its own program. Since then, HEW grantees have been prohibited from acquiring excess property.

I ask unanimous consent to insert in the RECORD at this time an exchange of correspondence between myself and HEW Secretary Elliot Richardson explaining the current position of the Department on excess property.

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

NOVEMBER 15, 1972.

Hon. ELLIOT L. RICHARDSON,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: I have been informed that yesterday the General Services Administration announced its decision to allow government policy on acquisition and use of excess property to "continue unchanged and a study will be continued and a determination made as to the desirability for modification of this policy".

In the interest of fair treatment of HEW grantees and of conformity of HEW with the government-wide policy on excess property, I strongly urge you to rescind your July 14 order terminating HEW's excess property program for grantees. Such a decision on your part would be respective to the needs of educational institutions and other grantees for excess property as outlined by former Commissioner of Education, Sidney Marland; and to the thousands of letters received by members of Congress and the GSA urging continuation of the program.

Sincerely,

WALTER F. MONDALE.

WASHINGTON, D.C.,
December 14, 1972.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: The Secretary has requested that I respond to your letter of November 15 in which you urged the recission of the Department regulation that terminated on July 14, 1972 the eligibility of HEW grantees to acquire excess property by loan from the Federal Government.

Please be advised that the Secretary, as a result of an appeal by Commissioner of Education, Dr. Sidney Marland, to rescind HEW's position on this matter, reviewed the current status of the Department's program regarding the loan of excess property to grantees. The Secretary on November 21, 1972 decided that the present policy would be continued until HEW completes its participation in the Interagency Study Group proposed by GSA, as outlined in 37 Federal Register 24113.

Please pardon our delay in responding, and let us know if we may be of further assistance to you.

Sincerely,

NORMAN B. HOUSTON,
Deputy Assistant Secretary for Administration.

Mr. MONDALE. Mr. President, I hope that the bill I introduce today will be a vehicle for establishing a permanent authorization that will guarantee the continuation of this worthwhile program.

Because the question of the future of the excess property program is an extremely complex one, I would like at this time to recount the series of events which precipitated my introduction of the legislation.

First, I ask unanimous consent that a memorandum prepared for me by the Library of Congress be printed in the RECORD. It provides a clear, unprejudiced definition of the term "excess property"—which is often mistakenly confused with "surplus property"—and of the authority for the existing program.

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

THE GSA PROGRAM ON EXCESS PROPERTY

1. The legislative basis for the GSA excess property program is the Federal Property and Administrative Services Act of 1949, as amended. Implementing instructions are delineated in the Federal Property Management Regulations. The salient features of the Federal Property and Administrative Services Act of 1949, are the following:

a. The Act makes a distinction between *"excess property"* and *"surplus property"*. The former is any property under the control of a Federal agency which is no longer

needed by *that* agency. Surplus property is any excess property not needed by *any* Federal agency, as determined by the Administrator of General Services.

b. The *Administrator* (GSA), to minimize expenditures for property, is given responsibility to prescribe policies and methods to promote the maximum utilization of excess property by Federal agencies. He makes provision for the *transfer of excess property* among Federal agencies. With the approval of the Directors, Office of Management and Budget, he prescribes the extent of reimbursement for such transfers.

c. *Federal executive agencies* are responsible for surveying the property under their control to determine which is excess, reporting such property to the Administrator, GSA, and disposing of such property to the Administrator, GSA, and disposing of such property as promptly as possible, in accordance with GSA regulations.

d. Generally speaking, when excess property becomes *surplus property*, the Administrator, GSA, exercises supervision and direction over its disposition. Any agency authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer—for cash, credit or other property. Usually, disposals made or authorized by the Administrator are made after publicly *advertising* for bids. However, disposals may be *negotiated* under regulations prescribed by the Administrator, GSA. Among the conditions which permit negotiation are the following: because such action may be necessary for the public interest in an emergency, promotion of the public health, safety or national security, because bid prices after advertising are not reasonable.

e. The Administrator is authorized to *donate surplus property without cost* (except for care and handling), for use in any State for educational, public health or research purposes. For surplus property under the control of the Department of Defense, the Secretary, DOD, determines whether it is usable for educational purposes which are of special interest to the armed forces (e.g., military preparatory schools). If found usable, he allocates it for transfer by the Administrator, GSA, to State agencies for distribution. If not usable for military education, the surplus property may be examined by Department of Health, Education and Welfare of Civil Defense for possible utilization by these activities.

f. Determination as to whether surplus property is usable for education, health or research is made by the Secretary of HEW, who allocates such property on the basis of needs for transfer by GSA to the States for distribution. The Civil Defense Administrator takes similar action for surplus property determined to be useful for Civil Defense purposes.

h. The Administrator, GSA, is authorized to assign to the Secretary, HEW, for disposal, such surplus *real* property that HEW recommends as needed for *education, health or research purposes*.

h. The administrator, GSA, is authorized to assign to the Secretary of the Interior, for disposal, such surplus *real* property needed for use as public parks or recreation area.

Mr. MONDALE. Mr. President, on May 16, 1972, Frank Carlucci, Associate Director of the Office of Management and Budget, wrote a letter to Rod Kreger, Acting Administrator of the General Services Administration, calling on GSA to "discontinue all authorizations and practices which now permit the use of Federal sources of supply or services by Federal grantees including depots, stores, warehouses, contracts excess personal property or other such sources."

At this point, I ask unanimous consent to have printed in the RECORD the letter from Mr. Carlucci to Mr. Kreger.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 16, 1972.

Hon. ROD KREGER,
Acting Administrator,
General Services Administration,
Washington, D.C.

DEAR MR. KREGER: As you know, there has been increasing concern in the business community, the Congress and the executive branch regarding an authorization of the General Services Administration which permits Federal grantees to buy supplies and services directly from GSA and from other Federal sources of supply.

The provision at issue, as set forth in the Federal Property Management Regulations 41 CFR Sec. 101–33, authorizes other Government agencies to, in turn, authorize grantees of such agencies, to buy from GSA inventories and stores, and to order directly from manufacturers via Government contracts. Additionally, the authorization has been extended to the practice of allowing grantees to place orders with GSA regions or buying centers for direct purchase, and also allows grantees access to Federal sources of excess personal property.

The above authorizations are not consistent with the purpose of the Administration's policy of reliance on the private enterprise system and is particularly objectionable in this sense because the burden of GSA competition falls more heavily on small businesses throughout the country. To the extent that grantees are components of State or local governments, the authorizations are also not consistent with the intent of Congress as expressed in the Intergovernmental Cooperation Act and implementing regulations (Circular A–97) of OMB.

It is our conclusion, in view of the above, that GSA should discontinue all authorizations and practices which now permit the use of Federal sources of supply or services by Federal grantees.

I am requesting, therefore, that immediate steps be taken to propose an amendment to GSA regulations that would rescind all authorizations of GSA under which Federal grantees are permitted to use Federal sources of supply. The proposed regulation should, of course, be made available under OMB Circular No. A–85 for comment by State and local governments prior to issuance.

Upon issuance of the amendment, action should be taken to notify the agencies of the determination and request that they immediately advise their grantees that access to Federal sources, i.e., depots, stores, warehouses, contracts, excess personal property, or other such sources is no longer authorized. Appropriate action consistent with the above should also be taken with respect to existing arrangements and unfilled requisitions.

As you know, studies of the Commission on Government Procurement have extended to all phases of supply support and the Commission's final report may include recommendations concerning grantee use of Federal supply sources. We will, of course, review the above conclusion in the light of any such recommendation which the Commission may propose.

Your cooperation and assistance in accomplishing the foregoing will be appreciated. Should you have any questions regarding this matter, we would be happy to discuss it further.

Sincerely,

FRANK CARLUCCI,
Associate Director.

Mr. MONDALE. Mr. President, in the Federal Register dated June 1, 1972, the following announcement appeared:

(General Services Administration—[41 CFR Parts 101–2, 101–33, 101–43])

USE OF GOVERNMENT SUPPLY SOURCES BY GRANTEES

NOTICE OF PROPOSED RULEMAKING

Notice is hereby given that the General Services Administration (GSA) is considering the adoption of revised rules prohibiting the use of GSA and other Government sources of supply by recipients of Federal grants.

The Office of Management and Budget has directed GSA to propose discontinuance of the authorization permitting Federal grantees to use Federal supply sources. Therefore, appropriate amendments to the Federal Property Management Regulations to accomplish this have been developed. However, cost-reimbursement type contractors will continue to be permitted to use GSA supply sources under the provisions of Subparts 1–5.5 and 1–5.9 of the Federal Procurement Regulations.

This notice is published pursuant to section 205(c), 63 Stat. 390; 40 U.S.C. 486(c).

Interested persons are invited to submit written data, views, or arguments regarding the proposed revision to the Commissioner, Federal Supply Service, General Services Administration, Washington, D.C. 20406, within 30 days after the date of publication of this notice in the Federal Register.

Dated: May 31, 1972.

M. S. MEEKER,
Commissioner.

I became aware of the appearance of this announcement more than a week later, when Minnesota grantees notified me that they stood to lose valuable and much-needed excess property if the rule change went into effect. Among the institutions and agencies in Minnesota alone which have since taken the trouble to inform me that they oppose the termination of the program are the following:

LIST OF INSTITUTIONS AND AGENCIES

Bemidji State College.
Bi-County Community Action Council, Bemidji, Minn.
Community Action Program, White Earth, Minn.
Dakota County Area—Vocational-Technical School.
Detroit Lakes Area Vocational-Technical School.
Gustavus Adolphus College, University of Minnesota.
Inter-County Community Council, Inc., Erskine, Minn.
Inter-County Community Council, Inc., Oklee, Minn.
Law offices of Legal Services Project, Case Lake, Minn.
Legal Aid Society of Minneapolis.
Mankato Area Vocational-Technical Institute.
Meeker-Wright Community Action, Inc., Waverly, Minn.
Minnesota Private College Council.
Minnesota State Advisory Council for Vocational Education.
Northwest Community Action Council, Badger, Minn.
Red Wing Public Schools.
Rural Minnesota CEP and CO PO.
St. Cloud State College.
St. Mary's Junior College.
South Central Community Action Council, Jackson, Minn.
Southeastern Minnesota Citizens Action Council.
Southeastern Vocational Center.

Suburban Hennepin County Area Vocational-Technical School.

Technical Education Center, Willmar State Junior College.

After learning of the intention of GSA to terminate the excess property program, I wrote the following letter to GSA requesting information about the impact of the proposed change.

The letter follows:

JUNE 15, 1972.

Mr. ROD KREGER,
Acting Administrator, General Services Administration, Washington, D.C.

DEAR MR. KREGER: It has recently come to my attention that GSA is considering the adoption of revised rules prohibiting the use of GSA and other government sources of supply by recipients of Federal grants.

I am most distressed to hear that such a policy change is under consideration. It is apparent that a wide variety of institutions in Minnesota, including vocational and technical schools and the University, would be adversely affected by the proposed change.

To my knowledge these institutions have received no explanation from GSA of the reasons for the proposed change. My staff has secured a copy of the letter from Frank Carlucci, Associate Director of the Office of Management and Budget, notifying you of the proposed change in regulations. This letter states that existing policy is not consistent with the purpose of the Administration policy of reliance on the private enterprise system and is particularly objectionable in this sense because the burden of GSA competition falls more heavily on small businesses throughout the country. This letter offers no documentation of the so-called "administration policy" referred to or any explanation as to what extent the present policy places a burden on small businesses throughout the country.

"In addition, my staff has been unable to secure from your agency an explanation of the potential impact of the policy change either nationally or in Minnesota.

I am very concerned about the possible effects of a change in the regulation on the quality of educational and other human service programs in Minnesota. But it is impossible for me to address the substance of this issue without adequate information. For this reason, I request that complete answers to the following questions be forwarded to my office by the close of business on Thursday, June 20th:

1. Please list all Minnesota institutions which received excess property in FY 1971 and 1972, the value of the property acquired and which of these institutions would become ineligible under the proposed change.

2. Please indicate the dollar value of excess and surplus property received by each of the following types of institutions in each of the last five years:

(a) Minnesota institutions,

(b) Minnesota colleges and universities,

(c) Minnesota vocational and technical education institutions,

(d) all vocational education institutions nationally,

(e) all colleges and universities nationally.

3. Please list the dollar value of excess property disposed of throughout the United States in FY 1971 and 1972.

4. Please explain the difference between excess property and surplus property.

5. What agencies or other recipients will acquire or be eligible for acquisition of the excess property that would be unavailable to grantees under the proposed rule change? Please provide a general answer on the national situation and the specific list of eligible recipients in Minnesota.

6. Please explain in full "the Administration policy of reliance on the private enterprise system" with documentation of its origin and existence.

7. Please explain Mr. Carlucci's assertion that "the burden of GSA competition falls more heavily on small businesses throughout the country."

I am looking forward to your speedy reply.

Sincerely,

WALTER F. MONDALE.

Despite the repeated attempts of my staff to receive answers to these questions from GSA, none had been received by my office on June 29. The deadline for comments to GSA was imminent and I feared that the program would be terminated before Congress even had the chance to express its interest and concern. For these reasons, on June 29, I introduced an amendment to the legislation authorizing continuation of the excess property and supply sources programs for grantees.

The Senate approved the amendment. At this point, I ask unanimous consent to have printed in the RECORD a copy of the letter received in my office from GSA—after the amendment had already been approved by the Senate. I hope you will take note of the failure of GSA to answer directly virtually all of the questions I had submitted.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., June 29, 1972.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: Thank you for your letter concerning the proposal that the Federal Property Management Regulations (FPMR) be amended to discontinue the General Services Administration (GSA) grantee program.

Your interest is appreciated and we are answering your questions in the same order as in your letter.

1 & 2: The information required to answer these two questions is not available within GSA. Transfers of excess property are made to Federal agencies, some of which, in turn, make it available for use by their grantees and cost-reimbursement type contractors. After such property is transferred, the extent to which it is used within the acquiring agencies, either directly or by their grantees, is not known by GSA.

By way of information, with the expansion of Federal grant programs, several years ago certain agencies started acquiring excess property not only for direct use but also for use in Federal grant programs and on cost-reimbursement type contracts. The principal recipient agencies have been the Office of Economic Opportunity; National Science Foundation; Office of Education, Department of Health, Education, and Welfare; Manpower Administration, Department of Labor; Department of Commerce; Defense Civil Preparedness Agency (former Office of Civil Defense); and, more recently, the Department of the Interior; Environmental Protection Agency; and the Law Enforcement Assistance Administration, Department of Justice. These agencies keep accountability records and information on the amount of property in the hands of their grantees and such information would be available only from them.

In the event the proposed regulation is issued, Federal grantees in the State of Minnesota will no longer be able to acquire excess property. While we do not have available the names of these grantees, they are generally involved in programs concerned with education, manpower training and development, community action, antipoverty, local police training, and civil defense.

With respect to surplus property, it is allocated among the States by the Department of Health, Education, and Welfare, and approved by the General Services Administration for transfer to the States for donation for education, public health, and civil defense purposes. By law, distribution to eligible donees within the States is made by an agency established by each State for that purpose. In Minnesota, that agency is under the direction of Mr. Harold W. Shattuck, Supervisor, Surplus Property Section, Department of Administration, 5420 Highway 8, Arden Hills, New Brighton, Minnesota 55112. Therefore, data on the amounts donated to specific donees within Minnesota would be available only from the State agency.

3. In terms of original acquisition cost, during FY 1971 $751.2 million of excess property was transferred to other Federal agencies; for FY 1972 through May the amount was approximately $858.0 million.

4. The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof. While in excess status, this property is only available for use by the Federal Government.

The term "surplus property" means any excess property not required for the needs and discharge of the responsibilities of all Federal agencies, as determined by the Administrator of General Services. After being determined surplus, such property is made available first for donation to use within the States, after which any remainder is sold.

5. All agencies within the Federal Government which currently acquire excess property would continue to be eligible. However, the property would have to be acquired only for direct use or for use by their cost-reimbursement type contractors.

Since grantees would no longer be eligible, much of the excess property which Federal agencies acquire for such use would probably become surplus and donated for education, public health, and civil defense purposes. Consequently, grantees engaged in activities for other than those purposes would not be eligible for the donation of surplus property.

6 & 7: Since the quoted terms are extracted from the Office of Management and Budget letter of May 16, 1972, to GSA, we feel that OMB is better qualified to define their usage. Any such explanation should be obtained from the Office of Management and Budget.

Please let us know if we can be of further assistance.

Sincerely,

ROD KREGER,
Acting Administrator.

Mr. MONDALE. Mr. President, the amendment approved by the Senate was considered by the conference committee on the OEO bill. It was not included in the conference report, because the parliamentarian of the House of Representatives ruled that the amendment was not germane to the bill.

Apparently because of the high public interest and the volume of mail being received in response to the request for comments, GSA extended the comment period until July 31. In the meantime, Secretary of Health, Education, and Welfare Elliot Richardson unilaterally terminated the HEW excess property program on July 14. I ask unanimous consent to have printed in the RECORD here a copy of the document stating that the HEW program has been terminated.

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

MANUAL CIRCULAR—MATERIEL MANAGEMENT: USE OF EXCESS PROPERTY ON GRANTS

1. *Purpose.*—This circular provides Department policy regarding the use of excess personal property by grantees.

2. *Background.*—It has been determined that the use of excess personal property by grantees will be discontinued inasmuch as the majority of HEW grantees are eligible for donation of personal property under the

Department's surplus property donation program.

3. *Policy.*—It is the policy of HEW that the use of excess personal property by grantees not be authorized. Section 103—43.320 of the HEW Materiel Management Manual is in the process of being revised to reflect this policy.

4. *Accountability.*—Federally-owned personal property presently in the possession of grantees will continue to be accounted for in accordance with current regulations.

5. *Effective Date.*—This circular is effective immediately.

On July 28, I and 22 other Senators signed and sent a letter to M. S. Meeker, Commissioner of the Federal Supply Service, expressing our concern about GSA's intention to terminate the excess property and supply source programs without providing adequate documentation of the reason for the decision and without providing a hearing to those who would be affected by the change. A copy of the letter follows:

JULY 28, 1972.

Hon. M. S. MEEKER,
Commissioner, Federal Supply Service, General Services Administration, Washington, D.C.

DEAR MR. MEEKER: Please consider this letter a formal response to GSA's solicitation of comments on the proposed "adoption of revised rules prohibiting the use of GSA and other Government sources of supply by recipients of Federal grants", which appeared in the Federal Register on June 1, 1972.

We are deeply concerned to learn that GSA is considering terminating the excess property and GSA supply source programs for grantees. We believe that these programs are of considerable importance in keeping down the cost of government-supported projects to the taxpayers; and in maintaining the quality of service offered by many of these programs.

We have further been concerned to observe that GSA has not provided the Congress with a comprehensive analysis of the pros and cons of these programs as they exist; and of the specific reasons for the proposal to terminate them.

Any decision on the future of the grantee programs should be made only after complete information on its implications has been developed and provided to Congress and to affected parties. Further, we believe that GSA should make a decision only after calling a public hearing and receiving testimony from those affected parties who wish to testify.

In addition, we believe that GSA should notify HEW—which has unilaterally terminated its own program even before the period for comments has expired—and other executive agencies that they should continue to operate their programs until a general policy decision has been made.

We thank you for your serious consideration of these points and urge that you immediately announce a date for a hearing and provide the Congress with the documentation required to fully understand the implications of the proposed rule change.

Sincerely,

Walter F. Mondale, George McGovern, Vance Hartke, Fred Harris, Philip A. Hart, Claiborne Pell, Thomas Eagleton, Clifford P. Case, Edward W. Brooke, Robert Stafford, William Proxmire, Mike Gravel, Harold E. Hughes, Daniel Inouye, Harrison Williams, Hubert H. Humphrey, Frank Church, Gaylord Nelson, John Tunney, Robert Taft, Jr., Nelson, John Tunney, Robert Taft, Jr., and Jacob Javits.

Mr. MONDALE. Mr. President, I ask unanimous consent that a copy of the bill I am introducing be printed in the RECORD.

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

S. 948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483), is amended by adding at the end thereof the following new subsection:

"(i) Each executive agency shall furnish excess property to any grantee under a program established by law and for which funds are appropriated by the Congress if the head of that executive agency determines that the use of excess property by that grantee will (1) expand the ability of that grantee to carry out the purpose for which the grant was made, (2) result in a reduction in the cost to the Government of the grant, or (3) result in an enhancement in the product or benefit from the grant. Any determination under the preceding sentence shall be reduced to writing and furnished to the grantee involved. The Administrator shall prescribe regulations governing the use, maintenance, consumption, and redelivery to Government custody of excess property furnished to grantees under this subsection."

By Mr. MONDALE (for himself, Mr. PELL, Mr. RANDOLPH, Mr. HATHAWAY, and Mr. TAFT):

S. 949. A bill to provide youth services grants, and for other purposes. Referred to the Committee on Labor and Public Welfare.

YOUTH PROGRAMS ACT

Mr. MONDALE. Mr. President, last year the Subcommittee on Children and Youth, of which I am chairman, held a hearing on youth crisis services. The witnesses who testified, and the many young people who wrote to me after the hearing, eloquently described the important services being offered by young people to young people in need.

Since the subcommittee began its study of youth services, we have learned that hundreds of hotlines, medical services, and other informal institutions are providing sorely needed assistance to young people with medical, legal, and family problems. Some of the indices of these problems are the 200-fold increase in the suicide rate for American females between ages 10 and 19 in the last 5 years; and the tripling of the suicide rate for young men in the last 10 years; and the increase in the number of young runaways to an estimated 1 million per year.

We have also learned that many youth crisis services have existed on a shoestring and that they can no longer secure the limited funds needed to operate from private, local sources.

A related concern of the subcommittee has been the role of young people in determining government policy on matters which affect them. In August 1971, the subcommittee held a hearing on the recommendations of the White House Conference on Youth. From this hearing and subsequent correspondence with Federal officials, I concluded that the Federal Government provides almost no opportunities for young people to contribute to policymaking.

In August 1972, I introduced S. 2909, the Youth Programs Act.

This legislation had two main purposes. One was to provide small grants to be used for the operation of youth crisis services. The other was to try to attack the problem of alienation of young people from Government and the political process by offering them a significant role in the administration of this grant program.

I am pleased to announce today I am reintroducing the Youth Programs Act.

I ask unanimous consent that a copy 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. 949

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 "Youth Programs Act".

STATEMENT OF FINDINGS

SEC. 2. (a) The Congress hereby finds that—

(1) nearly one million young Americans run away from home each year and often become the victims of an unhealthy and criminal environment;

(2) an increasingly large number of young Americans have experimented with drugs and subsequently suffered damaging physical and psychological effects from the use of such drugs;

(3) within the last ten years the suicide rate for young American males between ten and nineteen years of age has tripled, and within the last five years the suicide rate for young American females between ten and nineteen years of age has increased 200-fold; and

(4) an increasing social and cultural change together with geographical and social mobility has contributed to the alienation of many young Americans from society and established institutions, leading them to create their own institutions.

(b) It is therefore the purpose of this Act to provide youth services grants and to establish in the Department of Health, Education, and Welfare an Office of Youth Programs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. In order to carry out the provisions of this Act, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974, and for each of the two succeeding fiscal years.

ESTABLISHMENT OF THE OFFICE OF YOUTH PROGRAMS

SEC. 4. (a) There is established in the Department of Health, Education, and Welfare the Office of Youth Programs. The Office shall be headed by a Director who shall be appointed by the Secretary within ninety days of enactment of this Act; and shall perform such duties as are delegated to him by the Secretary.

(b) To the extent practicable, the Secretary shall employ personnel in the Office so that at least 50 per centum of such personnel are individuals who have not attained twenty-five years of age and at least one-half of such per centum are individuals who have not attained twenty-one years of age.

(c) The Secretary shall carry out the provisions of this Act through the Office of Youth Programs.

GRANTS AUTHORIZED

SEC. 5. (a) The Secretary is authorized to make grants to pay the Federal share of the cost of youth service projects conducted by nonprofit private organizations, particularly organizations engaged in furnishing emergency telephone counseling, general counseling, medical service, and services for runaways.

(b) Grants under this section may be used for—

(1) training volunteers and for providing compensation for workers in such projects;

(2) monitoring the effectiveness of the services provided by such organizations;

(3) compiling, improving, and distributing lists of youth organizations within appropriate geographic areas; and

(4) operating expenses for such organizations.

(c) (1) No grant may be made under this section except upon application made therefor in accordance with regulations prescribed by the Secretary.

(2) No grant may be made under this section to any individual organization or project in an amount in excess of $10,000 in any fiscal year.

(d) (1) The Secretary shall pay to each applicant which has an application approved under section 5 an amount equal to the Federal share of the cost of the application. The Federal share for each fiscal year shall not exceed 75 per centum of the cost of such application, except that for applications from organizations located in areas of high concentration of poor people, pursuant to regulations established by the Secretary, the Federal share may be increased to an amount not to exceed 90 per centum of the cost of such application.

(2) Payments under this section to any nonprofit organization may be made in installments, and in advance, or by way of reimbursement, and with necessary adjustments on account of underpayments or overpayments.

(e) The Secretary is authorized to establish whatever procedures he determines necessary to assure that whenever possible, applications under this section will be processed to completion within a period not to exceed ninety days from the date on which any such application is recieved.

THE NATIONAL CLEARINGHOUSE ON YOUTH SERVICES

SEC. 6. (a) The Secretary is authorized to establish and operate a National Clearinghouse on Youth Services which shall—

(1) collect, analyze, and disseminate research materials relating to the services assisted under the provisions of this Act with particular emphasis upon such materials as are developed by nonprofit organizations receiving financial assistance under this Act;

(2) conduct a thorough evaluation of the programs assisted pursuant to section 5 of this Act; and

(3) develop recommendations for a long-term approach, by the Federal Government, to the problems of young Americans.

(b) The Secretary, through the National Clearinghouse on Youth Services, may carry out the functions under this section directly, or by way of contract, grant, or other arrangement.

YOUTH ADVISORY BOARD

SEC. 7. (a) There shall be established a Youth Advisory Board within ninety days of enactment of this Act. The Board shall consist of fifteen members, at least 50 per centum of whom are individuals who have not attained twenty-five years of age and at least one-half of such per centum who have not attained twenty-one years of age. The Board shall be appointed by the Director of the Office of Youth Programs after consultation with youth who have experience in youth programs, either as providers or as recipients of such services. The Board shall—

(A) Assist in the establishment of priorities for the award of grants under this Act.

(B) Recommend general polices for, and review the conduct of, the Office.

(C) Advise the Director of the Office on development of programs to be carried out by the Office.

(D) Conduct such studies as may be necessary to fulfill its functions under this section.

(E) Prepare an annual report to the Secretary on the current status and needs of youth programs in the United States.

(F) Submit an annual report to the Congress on the activities of the Office, and on youth programs in the United States.

(G) Meet at the call of the Chairman, except that it shall meet (i) at least four times during each fiscal year, or (ii) whenever one-third of the members request in writing that a meeting be held.

REPORT

SEC. 8 The Secretary is authorized and directed to prepare and furnish to the President and the Congress not later than July 1, 1975, a report on his activities under this Act, together with an evaluation of financial assistance provided under this Act and recommendations, including legislative recommendations, for long-term solution to the problems of young Americans.

DEFINITIONS

SEC. 9. As used in this Act, the term—

(1) "nonprofit private organization" means and organization, including unincorporated associations of individuals which the Secretary determines is capable of carrying out a program to be assisted under this Act;

(2) "Secretary" means the Secretary of Health, Education, and Welfare; and

(3) "young American" means any individual who has attained ten years of age but not twenty-six years of age.

By Mr. NELSON (for himself, Mr. ABOUREZK, Mr. METCALF, Mr. MCGEE, Mr. MCGOVERN, Mr. HATFIELD, and Mr. BURDICK):

S. 950. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry. Referred to the Committee on the Judiciary.

Mr. NELSON. Mr. President, I wish at this time to introduce on behalf of myself and the junior Senator from South Dakota (Mr. ABOUREZK) the Family Farm Antitrust Act of 1973. Other cosponsors are: Mr. METCALF, Mr. MCGEE, Mr. MCGOVERN, Mr. HATFIELD, and Mr. BURDICK.

A nearly identical bill to this was introduced by myself in the 92d Congress, and by Mr. ABOUREZK, who was then a Member of the House of Representatives. Hearings were not held on this legislation in the Senate but were in the House.

As a result of the House hearings, we have made one substantial change in the proposed act. Under the terms of the bill, with the aim of preserving the family farm and preventing monopoly, this legislation would force corporations and/or conglomerates to divest themselves of their farm holdings. In the House hearings criticisms developed because no mechanism for achieving the required divestiture was included in this legislation.

To meet this criticism we have added this year a section which establishes authority for the Farmers Home Administration to acquire at fair market value any holdings which would be divested because of this act. In turn the Farmers Home Administration would be required to sell such acquisitions as soon as possible, but in no less than 2 years. This would assure due process for those presently holding assets which would be made illegal.

It is with a sense of special urgency that this legislation is introduced. Increasingly for the last 20 years, managers of large corporations and conglomerates have moved into agriculture. From their carpeted offices far from the land they control, and armed with favorable depreciation rates on machinery and equipment, tax writeoffs and long term capital gains advantages, these managers can manipulate losses on the farm into profits for the absentee investors and still expand land holdings. The Internal Revenue Service tells us that of the 17,578 corporations reporting farming as their principal business in 1965, only 9,244 reported a profit for tax purposes. Of their gross receipts of $4.3 billion, only $199 million was considered taxable income—a mere 4.5 percent tax rate. For the family farmer who remains on the land, the losses remain a loss. And with the artificial market created by the corporation, the losses to the resident farmer have become greater and more frequent.

The optimum size family farm is the most efficient farm operation and it affords an opportunity for individual enterprise.

It is in the interest of the country that the family farm be preserved.

Combined with other incentives for bigness, the family farmer has found himself in an unfair competitive position. That there has been a large-scale exodus from the farm to the city has been amply documented, discussed, debated—and grieved. Since 1950, more than 15 million Americans have left the farm in hopes of salvaging a livelihood in the great metropolitan centers.

For many, however, the promise of security in the city proved a delusion. Even those who were successful in the transition only left others without work—overcrowding, unemployment, soaring relief rolls, tension and frustration.

The opening pages of the 1967 President's National Advisory Commission on Rural Poverty reports:

The urban riots during 1967 had their roots in considerable part in rural poverty.

The McCone Commission report on the Watts riot in Los Angeles and the Kerner report on civil disorders reinforced that report.

Rural outmigration is not a problem confined to the rural areas. It is a national problem—and a critical one—that affects every economic and social sector.

The displacement of rural Americans did not manifest itself in sagging economies and poverty in the cities alone. Seven percent of this country's people live on farms, while 16 percent of the poor in America live on farms and 32 percent of the poor in America are rural nonfarmers.

But the economic, social and cultural consequences of the trend to big corporate farms is more insidious than the cold statistics of poverty.

Such businesses as implement dealers, hardware stores, lumberyards, and feedstores must have a good number of prosperous farmer-customers to stay in business. The number of farm families in a trade area also is an important factor because of its direct effect on such businesses as grocery stores, drugstores, newspapers, and filling stations.

It is also easy to see the effect a sharp

cutback in farm family numbers would have on obtaining, or retaining, such professionals as doctors, dentists, pharmacists, and lawyers.

Experience shows, in areas where corporations have moved in, that one of the first moves made by farm managers is to tear down farm buildings to cut real estate taxes. Then they truck in seed, fertilizer, and other inputs purchased direct from manufacturers to avoid buying locally at retail; they import migrant farm laborers on an intermittent basis to cut labor costs, and they bypass the local farm supply and marketing cooperatives.

The surviving farmers and small town merchants are left to pay the social costs.

Probably the best exising study of this problem was published in 1946—"Small Business and the Community Effects of Scale of Farm Operations," December 1946, Senate Committee on Small Business.

Although 25 years old, this study probably reflects, better than anything published before or since, the kind of problems that is involved.

The study, by Walter Goldschmidt, involved the social organization of two towns in California in land areas of equal productivity. The only difference in the two communities was in the type of agriculture in the areas they served.

Arvin, Calif., served a corporate farming area worked predominantly by hired labor. It was a town of honky-tonks, poor housing, a few weak service clubs, shaky businesses, a single elementary school, and one playground loaned by a local industry.

Dinuba, Calif., served an area of family farms. It was a town of attractive residential streets, permanent churches, three parks, three elementary schools and a high school, strong service clubs, lodges and veterans organizations, furniture and household furnishings stores, implement dealers, and hardware and clothing stores.

The town serving the family farm area had twice as many business establishments, nearly twice as much annual trade—$4.4 million versus $2.5 million for Arvin—and three times the volume of trade in household supplies and building materials and equipment.

Goldschmidt's summary of findings added:

> The investigation disclosed other vast differences in the economic and social life of the two communities and affords strong support for the belief that small farms provide the basis for a richer community life and greater sum of those values for which America stands, than do industrialized farms of the usual type.

The social and cultural consequences of the trend to big corporate farms is easily recognized. The rural towns suffer a population loss that is in almost direct proportion to the loss of farm families from the community.

Churches, schools, and other social service groups wither and disappear for lack of people to use their services and for inability to hold the type of community leaders needed to make them effective.

The Goldschmidt study of the California towns provides some data in the people-oriented aspect, too, of differences between communities in trade areas with family farms and those with corporate farms.

More than one-half of the breadwinners in the small farm community are independent businessmen, persons in white-collar employment or farmers; in the corporate farm community the proportion is less than one-fifth.

Less than one-third of the breadwinners in the small farm community are agricultural wage laborers—characteristically landless and with low and insecure income—while the proportion of persons in this position in the corporation farm community is about two-thirds.

Schools are more plentiful and offer broader services in the small farm community.

The small farm community has more than twice the number of organizations for civic improvement and social recreation than its corporation farm counterpart.

Provision for public recreation centers, Boy Scout troops, and similar facilities for enrichment of people is much greater in the small farm community.

The small town community supports two newspapers, each with many times the news space carried in the single paper of the corporate farm community.

Facilities for making decisions on community welfare through local popular elections are available to people in the small farm community while the corporate farm community's decisions are made through a county government setup.

Goldschmidt's study sums up the relationships and what they mean in this way:

> The small farm community is a population of middle-class persons with a high degree of stability in income and tenure, and a strong economic and social interest in their community. Differences in wealth among them are not great and the people generally associate together in those organizations which serve the community.
>
> Where farms are large, on the other hand, the population consists of relatively few persons with economic stability, and of large numbers whose only tie to the community is their uncertain and relatively low-income job. Differences in wealth are great among members of this community and social contacts between them are rare.
>
> Indeed, even the operators of large scale farms are frequently absentees; and if they do live in Arvin, they as often seek their recreation in the nearby city. Their interest in the social life of the community is hardly greater than that of the laborer whose tenure is transitory.
>
> Even the businessmen of the large farm community frequently express their own feelings of impermanence; and their financial investment in the community, kept usually at a minimum, reflects the same view.
>
> Attitudes such as these are not conducive to stability and the rich kind of rural community life which is properly associated with the traditional family farm.

All that was 25 years ago. Yet, the invasion of agriculture by large, absentee corporate interests continues unabated. All of which is aided by the U.S. Department of Agriculture which often finances research with taxpayer dollars that is aimed at ways to make small farms sustain families who can compete economically in dignity and reasonable living standards.

Nick Kotz, in his excellent series in the Washington Post, emphasizes this point. He tells us that the Department apparently would rather finance development of a new, tough strawberry that can be harvested by machine than a strawberry that tastes better or is more nutritious. This is the same department, according to Mr. Kontz, that has given little or no comfort and aid to a small, new cooperative organized by former migrant laborers to get into the strawberry cultivation business themselves.

But the mere entry of corporations into agriculture has not been enough, especially for the conglomerates that have honed their managerial prowess into widely diversified interests that control a broad spectrum of agriculturally related businesses.

They buy seed from one of their own subsidiaries to plant with machinery manufactured by another to plant on the land owned by another to be tended by laborers with pesticides, fertilizers, and machinery manufactured by still others within the same corporate structure. The produce is shipped in trucks owned by yet another subsidiary, packed in cartons manufactured by another and marketed by still another.

Now, some conglomerates reportedly are beginning to enter the restaurant and supermarket business to complete the vertical chain from seed to supermarket.

Mr. President, not long ago the proud products of rural America were good food and fiber, free men and women, and healthy children with happy futures on the land cared by their fathers and forefathers. There were exceptions, of course. But the ideal and in large measure the attainment were there: to raise all those products on the American land—the food, the fiber and the strong, free people.

Tragic changes have occurred, and there are many and complex causes for this tragedy which is still building and even accelerating.

But the largest cause, I think, is the development of public policies that have equated goodness with bigness, quality with size. These policies have led to the emergency of giant corporations as the dominant force in manufacturing.

Dominance of the few at the expense of the many who have been unable to compete against the preferential treatment this country accords big money. Unless the policies are dramatically reevaluated and changed, they will lead to like dominance of agriculture.

The Family Farm Antitrust Act of 1973 provides the Congress with the means to preserve free, private enterprise, to protect small business and prevent insidious monopolistic tendencies in agriculture.

Mr. President, I ask unanimous consent that the Family Farm Antitrust Act of 1973 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. 950

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 "Family Farm Antitrust Act of 1973".

FINDINGS; DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) in order to nurture the private enterprise system, it is desirable to protect consumers and small businesses, and to provide for the continued existence of the family farm, by protecting family farms against the monopolization of the agricultural industry;

(2) vertical integration of the agricultural industry by corporations engaged in the processing, distributing, and retail industries, and other conglomerate corporations, tends to create monopolies in the agricultural industry, to foster anticompetitive trade practices in that industry, and to product unfair competition for family farms; and

(3) the anticompetitive forces at work within the agricultural industry, by threatening the existence of the family farm, are causing population shifts from rural areas to urban areas which rob the rural areas of productive population and increase the problems of already overcrowded urban areas.

(b) The Congress declares that it is the policy of the United States, and the purpose of this Act, to restore competition to the agricultural industry and to provide for the continued existence of the family farm.

AMENDMENT OF THE CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27) is amended by inserting after section 8 the following new section:

"SEC. 8A (a) Except as provided in subsection (b), no person engaged in commerce (or affecting commerce) in a business other than farming, whose nonfarming business assets exceed $3,000,000, shall—

"(1) engage, directly or indirectly, in farming or the production of agricultural products,

"(2) control, or attempt to control, agricultural production through the ownership or leasing of land for agricultural purposes, or

"(3) participate in farming through corporate integration or merger, or by any other means of acquisition or control of another person who is engaged in farming.

"(b) The provisions of subsection (a) shall not apply to—

"(1) any organization described in section 501(c) or (d) of the Internal Revenue Code of 1954 exempt from tax under section 501 (a) of such Code to the extent that the farming activities of that organization do not result in unrelated business income taxable under part III of subchapter F of chapter 1 of such Code; or

"(2) any farmer owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorized association of producers of agricultural products," approved February 18, 1922 (42 Stat. 388; 7 U.S.C. 291–292 (the Capper-Volstead Act)), or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317; 12 U.S.C. 1141).

"(c) Any person to whom subsection (a) applies, who was engaged in activities on the day before the date of enactment of the Family Farm Antitrust Act of 1973, which on the day after such date would (but for the provisions of this subsection) be in violation of subsection (a), shall not be considered to be acting in violation of the provisions of that subsection during the five years following the date of enactment of that Act if he—

"(1) does not undertake any new, or increase or expand any existing, activity or interest in violation of that subsection during those years, and

"(2) divests himself, within 5 years after the date of enactment of that Act, of any property or other interest held by him in violation of the provisions of that subsection.

"(d) It shall not be a violation of the provisions of subsection (a) for any creditor, beneficiary, or intestate successor to acquire, pursuant to forfeiture, devise, or the laws of intestate succession, and hold for not more than two years any property or other interest, which acquisition and holding would violate such provisions but for this subsection."

(b) Section 11 of such Act (15 U.S.C. 21) is amended by—

(1) striking "sections 2, 3, 7, and 8" where it appears in subsection (a) and (b) and inserting in lieu thereof "sections 2, 3, 7, 8, and 8A"; and

(2) striking "sections 7 and 8" where it appears in subsection (b) and inserting in lieu thereof "sections 7, 8, and 8A".

ASSISTANCE TO THE SECRETARY OF AGRICULTURE

SEC. 4. (a) The Secretary of Agriculture, acting through the Farmers Home Administration, is authorized and directed to acquire at fair market value any property or interest of which a person is required to divest himself under subsection (c) or (d) of section 8A of the Act of October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27), as amended by this Act, if that person establishes to the satisfaction of the Secretary that he is otherwise unable to divest himself of such property or interest in accordance with requirements of that subsection.

(b) The Secretary shall sell at the then prevailing market value any property acquired under subsection (a) as soon as practicable, but in no event later than 2 years after the date on which such property was acquired by him under that subsection.

(c) The Secretary shall prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

(d) There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to carry out the provisions of this section.

Mr. ABOUREZK. Mr. President, today I am pleased to join Senator NELSON in introducing the Family Farm Act.

It is, in a word, a bill to stop the growing corporate invasion of agriculture.

Too much tired rhetoric about family farmers has been bantered around these halls. Too often those of us from farm States have allowed our attentions to focus into narrow channels when farm legislation is the subject.

And so today, begging your indulgence, I shall attempt to share with you a broader perspective about America, where it is going, and where this bill fits into the scheme of things. Instead of talking rural economics today, I want to talk social policy.

Let us begin with a picture of rural America today.

It is not all lush, green Shenandoahs, white picket fences, ivy-covered cottages, and prosperous Americana as shown in the movies. It is not all country clubs and diletantes. There is some of that, but it is not the true picture.

Rural America is also 44 percent of this Nation's poor.

It is 60 percent of this Nation's substandard housing.

It is tens of thousands of towns without water or sewer systems.

It is the place left behind. It is dying on the vine, a victim of strangulation by social, political, and economic neglect.

That neglect is propelling us, gradually but powerfully, toward national human disaster.

There are now on the landscape thousands of dead small towns.

There are now on the landscape more thousands of towns inhabited almost exclusively by senior citizens. These people are living out of range of America's full prosperity. They may be scores of miles from the nearest hospital and 10 decades removed from an adequate supply of decent housing or water.

To project current trends forward a few decades is to find rural America a vast wasteland in human terms. About the only inhabitants on the land would be a scattering of corporate managers and employees who fill in for absentee owners. They would be serviced by a scattered, limited number of our present larger rural cities.

It is happening right now. It is a visible as the nose on my own face.

The patterns of population shift show a congregating in the larger cities on either end of my State while small towns on the land in the vast middle of my State are literally drying up and blowing away.

In human terms, this is a tragedy. We are denying a viable alternative to the people piled on top of each other in boxes in the city while destroying the dream and the labor of love of rural people.

Go into one of those dying towns. The oldtimers will tell you about how it used to be when the town was a going concern, about the hopes they had for it, and about their fears that what they had worked all their lives to build is about to crumble into dust.

As the smallest towns become unlivable, so do the largest cities. The picture there is well known.

I turn now to the idea of a nation of shopkeepers and Tom Jefferson's notion of agrarian democracy.

We serve up rhetorical overdoses of those notions every day. We talk about self-determination, about the virtues of independent men, about individual control of individual destiny in a free democratic society. Only now I notice a new twist. We no longer preach these things as a day-to-day reality. We speak of the opportunity for them in America. Certainly there are many, many people who are able to capitalize on that opportunity. But for growing tens of millions of our people, the notion of a Nation of independent men and women truly in control of their own destiny is emptying of reality.

Instead we are descending headlong into a state of corporate feudalism which will be inadequately policed by a mushrooming big government bureaucracy which strangles itself as it grows.

The coupling of massive, unresponsive and impotent government with a corporate feudal state spells doom for those characteristics of human independence, initiative, self-reliance and self-determination which we cherish most.

As regards Government, these observations are vital: In 1950 all units of government employed 13 percent of the nonagricultural labor force. By 1970 it had grown to 18 percent. At the same time the tax gouge cost more and bought less.

As regards the corporate feudal state, these observations are vital: In 1950 the 200 largest corporations controlled about 50 percent of all industrial assets. By 1970 it had shrunk to less than 100 corporations.

These facts also illustrate the growing threat of feudalism: 1.6 percent of the population owns 82 percent of all stocks, 88 percent of the corporate bonds and at least 32 percent of all assets. Meanwhile, in the last 20 years, the gap between the richest fifth of the population and the poorest fifth doubled.

The threat to our people, to our vitality as a Nation, is real.

Feudalism's twin sister is serfdom. Now if that word has a remote, bizarre and extreme ring to it these days, I would submit that the beast may be wearing new clothes in a highly technological industrial society but it is possible for him to be there just the same.

The advance guard of that feudalism is marching across rural America right now, and has been for some time.

We see the ownership and control of land being transferred to absentee, corporate hands. The individual entrepreneurs, the family farmers, are abandoning ship at the rate of 39,000 a year. Landholdings are being consolidated into huge chunks. Contract farming is making inroads across the board. The little guys are paying the penalty for the emphasis on bigness. As they go, so go the cherished institutions which are the bedrock of American society. Among those institutions is individual competition.

On millions of acres it was once possible for a man to say, "This is mine, for better or for worse. My father broke this soil. It is my place in the world and it shapes my destiny."

On millions of acres that is no longer possible. The man standing there is a hired manager or an employee. A man's land is his property. A man's job is not.

The advance guard is also arriving in the cities.

It is reflected by the despair, the boredom and the indifference of millions of people who work for faceless, huge corporations.

They are treated as tenants of the earth, not part owners. Their fate is determined by forces they cannot fight.

They are in debt and afraid of losing their jobs. They cling desperately to those few things they do own and hope that someone else somewhere is working on the big problems. They are generally plagued by dark insecurities, gnawing doubts about their self-worth and a dangerous sense of futility.

Those feelings are reflected in nearly every letter that comes into my office, but it is rarely overtly expressed. The process is very nearly too subtle to perceive, yet there is a widespread awareness that somehow something basic is just not right.

All of this argues for a fundamental examination of the very basic assumptions which guide the shaping of American life.

It argues for a policy that factors in more than just numbers and dollar signs. It suggests that we must fight to retain those few institutions that still give real meaning to the lives of their members, as well as to create newly meaningful ones for the millions who have been cut adrift.

I submit to you that family unit farming is an occupation that satisfies those who practice it. It is an occupation which ties the farmer closely to nature. It is hard work, but it is personally rewarding in a very direct and fundamental way.

In the larger context I have set, the preservation of family farming is but a stopgap, rearguard action.

But I believe that for America to actually succeed in preserving something of value from destruction by the headlong descent into computerized bigness would be a fundamentally important first.

It would show that we as a nation can make a choice in favor of a quality life for our people and can make that decision stick against the power of the corporate-bureaucratic combine.

The tool I propose to help achieve that goal in the agricultural area is the Family Farm Act.

The Department of Agriculture's response to the depopulation of rural America and the encroachment of corporations upon the domain of the family farm can be summarized in three acid words: "So it goes."

A similar indifference prevails in most levels of Government and our urban-minded society.

Those of us from rural areas have some consciousness-raising to do.

Among other things, we should alert the Nation that oligopolist control of the Nation's food supply is a very real possibility.

We should alert the Nation that the very quality, taste, and texture of food—to say nothing of the price—can be subordinated to conglomerate profitmaking expediency.

The Family Farm Act speaks to those possibilities as well as the grim prospect of rural America becoming a nearly vacant wasteland.

The Family Farm Act is an antitrust bill which prohibits corporations with more than $3 million in nonfarm assets from engaging in farming. It requires divestiture within 5 years for those operations presently over the $3 million limit.

Antitrust laws on the books have not had a record of smashing success. The large corporations continue to expand their dominance over American affairs, continue to gather ever larger pieces of the pie into fewer hands and continue to collude against the market forces which were intended to be the consumer's main protection in a free enterprise economy. Their position, of course, is that these directions are natural and necessary to survival; I would not accuse anyone of malicious motives.

The Government, for the most part, has been a cooperative partner in the process. It often cannot see the forest for the trees, has not regulated particularly well or effectively, and has provided the convenience of such ambiguities as the phrase "in restraint of trade."

This bill seeks to establish the precedent of stripping away certain of those ambiguities by defining restraint of trade in dollar terms. I am open to discussion about precisely where that dollar limit best be set but I remain committed to the principle.

In a sense what this bill says is that Government ought to be structured toward less bureaucracy and toward more direction action.

In introducing this bill today, I am also saying, in a sense, that we ought to begin considering legislation, and rural legislation in particular, more in terms of broad social policy and less in parochial terms.

I fully believe that we have created horrid mishmash of often contradictory social policies, and that we ought to begin to put things in sensible order.

The 39,000 farmers who are forced off the land every year not only compound the crises of our cities, they are, as well, a signal symptom of something gone fundamentally wrong for all of America.

Thank you.

By Mr. STEVENS:

S. 951. A bill to authorize the Secretary of Commerce to purchase in certain cases the catches of commercial fishermen which are prohibited from sale by restrictions imposed on domestic commercial fishing by a State or the Federal Government; and

S. 952. A bill to provide partial reimbursement for losses incurred by commercial fishermen as a result of restrictions imposed on domestic commercial fishing by a State or Federal Government. Referred to the Committee on Commerce.

Mr. STEVENS. Mr. President, today I am introducing two bills designed to assist Alaska fishermen who are faced with economic ruin as a result of restrictions imposed upon them in their domestic commercial fishing by prohibitive Federal or State restrictions.

These bills are specifically designed to pose two alternative solutions to a problem facing many fishermen in Southeast Alaska. This is the result of mercury pollution levels found in halibut by the Food and Drug Administration. This finding has resulted in a determination that halibut above a certain size caught in certain areas may be dangerous and unfit for human consumption. Because of this finding, the industry has been unable to sell halibut over a certain size, such size varying depending upon the area of the ocean in which the halibut were caught. This problem has had devastating economic effects throughout Southeast Alaska.

On October 8, 1971, the Subcommittee on Oceans and Atmosphere of the Senate Commerce Committee held hearings in Petersburg, Alaska, on this subject. At these hearings, the chairman of the subcommittee, the distinguished Senator from South Carolina (Mr. HOLLINGS) and I were present. A large number of representatives from various fishing groups and governmental agencies were also present and testified before us. A report of these hearings is contained in Senate Report No. 92–41. I believe that the need for this legislation is amply demonstrated by the testimony of the many witnesses who appeared and

described in detail their personal accounts of the economic devastation they faced as a result of this FDA determination.

For example, the situation facing the Petersburg Cold Storage Co. is typical. The Petersburg Cold Storage Co. is owned by 170 individual stockholders. It serves one of the small southeast Alaska towns which are directly affected. It was founded in 1926 by a local group of fishermen and merchants handling fish products, primarily halibut. It has operated successfully and has produced roughly 125 million pounds of halibut, a yearly average of 3 million pounds. Yearly ranges have been from 1 to 5 million pounds. The replacement value of the plant alone is $1,500,000 and it has an insurable depreciated value of $1,029,000. It employs 20 to 60 people per season. The average employment for a 12-month period is 28. The annual payroll runs about $400,000. Normally, they would have 20 to 30 halibut vessels outfitting in Petersburg at times other than the normal seining season. However, as a result of the FDA ruling, in 1971 only two vessels fished for halibut in the area immediately surrounding Petersburg.

In a poll of 13 fishermen in nearby Kake, Alaska, in 1971 not a single fisherman felt he could economically fish for halibut, given the present restrictions. They felt they would not be able to fish in 1972 either.

Other areas of the country will also benefit from the introduction of legislation to solve the problems faced by owners prohibited from selling their catch as a result of Federal and State restrictions. The Great Lakes, the Chesapeake Bay, and other areas of the Pacific pose environmental problems that have resulted in such restrictions. This legislation is not limited to the mercury in halibut problem but will also assist other fishermen in other areas of the country.

The first bill authorizes the Secretary of Commerce to purchase these fish from any legal entity which, first, owns fishing equipment, and second, engages in domestic fishing as its usual occupation. The catches of fish which may be purchased are those which the owner is prevented from selling by restrictions related to a deterioration in the quality of the aquatic environment which were imposed on or after January 1, 1970, by any State or Federal agency and which, in the judgment of the Secretary, impair the economic feasibility of any type of domestic fishing.

The Secretary is authorized to buy such fish at the fair market price in the area at the time of purchase. The "fair market price" is a term of art widely used in the law and easily determinable. Such fair market price must be evaluated in the specific locality, that is, the specific town or city at which the catch is sold. The price must be determined as of the specific date of sale. Thus defined, these terms will provide the Secretary with practical guidelines for enforcement.

The total amount of such purchases in any calendar year from any one eligible owner may not exceed 50 percent of its gross earnings from domestic fishing operations. The Secretary is then authorized to dispose of these fish in any legal manner he deems appropriate. Any such purchase must be subject to the condition that the eligible owner assign to the Secretary any right he may have to recover damages for the act or commission resulting in the imposition of such Federal or State restrictions. The Secretary is also empowered to prescribe rules and regulations necessary to carry out the provisions of the act.

Finally, amounts not to exceed $4,000,000 for fiscal year 1973 and $5,000,000 for fiscal year 1974 are authorized.

This bill has been amended to permit the Secretary of Commerce to require repayment with interest and other appropriate penalties if he finds that he has made an overpayment as the result of the fault or negligence of the owner. It also requires recordkeeping and permits auditing by the Secretary of Commerce and Comptroller General if they so desire. These amendments were added to meet possible objections by the General Accounting Office.

Mr. President, the second bill offers another solution to this problem. This bill is similar to S. 875, a bill I introduced a little over 2 years ago. It provides partial reimbursement for losses incurred by commercial fishermen as the result of prohibitive Federal or State restrictions imposed on domestic commercial fishing. It also authorizes grants from the Secretary of Commerce to enable any eligible owner to meet the usual business expenses he was prevented from meeting as a result of these restrictions. Under the bill, if a fisherman accepts reimbursement, he automatically authorizes the Federal Government to file suit in his behalf against those who polluted the waters. Any amount collected in excess of the initial reimbursement and court costs would be turned over to the aggrieved fisherman by the Government which initiated the suit. Although it is reasonable to expect this method of reimbursement will ultimately be self-supporting, such a status will probably not be achieved for several years. Accordingly, my bill appropriates $4 million for operation of the program during the first year and $5 million for each of the 4 succeeding years.

This bill has been amended to make the effective date January 1, 1970, rather than January 1, 1971, for imposition of the prohibitive Federal or State restrictions. This clarifies that I intend the mercury level which was determined and announced in a press release in March 1970 and the effects thereof to be covered. I am aware that this new mercury level was not specifically applied to halibut until early 1971. This amendment will clarify that my bill is to apply to this mercury level announced in March 1970.

I have also amended this bill to cover fishermen suffering from restrictions which in fact caused them losses although the market value of the commercial catch in the affected area may not have decreased. Nevertheless, they may not be able to catch any fish of a certain size or from a certain area. The scarcity of fish will of course tend to drive the market value up. Nonetheless, their income would have dropped significantly and this is the key point.

Another amendment inserts a new subsection 3(c) to permit grants to owners of fishery products for the purposes of recovering losses incurred in the disposition of inventory declared unsalable because of the prohibitive restrictions.

I have similarly amended this bill at the suggestion of the General Accounting Office to permit the Secretary of Commerce to require repayment of the grants with interest or other appropriate penalties if he finds that he has made overpayment due to the fault or negligence of the grantee. I have also added a provision to require appropriate recordkeeping and permit auditing of the books of the grantees. These suggestions by the General Accounting Office are well taken and I appreciate their care in suggesting them.

The second bill, in the form of an amendment, passed the Senate last year. Unfortunately the joint Senate-House conference committee in discussions on the parent bill, H.R. 7117, which amended the Fishermen's Protective Act, could not agree to accept this amendment or several others added on the Senate floor. The leadership of both the Senate and House committees have, however, agreed to hold hearings on this subject early in the 93d Congress. I will suggest that both of these bills be considered at these hearings.

Solutions other than these bills are also being sought to solve the mercury in halibut problem. It is not at all certain that a level as low as 0.5 parts per million of mercury in the fish is necessary or even practical to assure human health. These bills do propose two alternative workable solutions.

I ask unanimous consent that these two bills be printed in their entirety in the RECORD.

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

S. 951

A bill to authorize the Secretary of Commerce to purchase in certain cases the catches of commercial fishermen which are prohibited from sale by restrictions imposed on domestic commercial fishing by a State or the Federal Government

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 "Domestic Fishermen's Emergency Fish Purchase Act of 1972".

SEC. 2. As used in this Act—

(1) The term "Secretary" means the Secretary of Commerce.

(2) The term "domestic fishing" means commercial fishing which is subject to regulation or restriction under the laws of any State.

(3) The term "prohibitive Federal or State restrictions" means restrictions related to a deterioration in the quality of the aquatic environment and imposed on or after January 1, 1970, by any State or by any department or agency of the Federal Government which, in the judgment of the Secretary impair the economic feasibility of any type of domestic fishing.

(4) The term "eligible owner" means any legal entity which—

(A) is the owner of fishing equipment, and

(B) is engaged in domestic fishing as its usual occupation.

SEC. 3. (a) The Secretary is authorized to purchase from any eligible owner, at the fair market price in the area at the time of purchase, any catch of fish which such owner is

prevented from selling by prohibitive Federal or State restrictions.

(b) Any such purchase shall be subject to the condition that the eligible owner assign to the Secretary any rights he may have to recover damages for the commission of or failure to commit acts which resulted in the imposition of such prohibitive Federal or State restrictions.

(c) The total amount of purchases in any calendar year pursuant to this Act from any eligible owner shall not exceed an amount equal to 50 per centum of such owner's gross earnings from domestic fishing operations.

SEC. 4. The Secretary is authorized to dispose of fish purchased pursuant to this Act in such manner as he may prescribe.

SEC. 5. The Secretary shall prescribe such rules and regulations as are necessary to carry out the provisions of this Act. He shall attach such conditions and limitations with respect to a purchase made under Section 3 of this Act as he deems necessary or appropriate to protect the interests of the United States. If the Secretary determines that an overpurchase was made because of the fault or negligence of the applicant, he may prescribe repayment plus interest or other appropriate penalty.

SEC. 6. (a) Each owner selling fish to the federal government may prescribe including under this Act shall keep such records as the Secretary may prescribe including records which can be used to support fully the amount of the purchase, and such records as will facilitate an effective audit.

(b) 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 owner which are pertinent to such purchase.

SEC. 7. There is authorized to be appropriated to carry out the provisions of this Act an amount not to exceed $4,000,000 for the fiscal year ending June 30, 1973, and an amount not to exceed $5,000,000 for the fiscal year ending June 30, 1974.

S. 952

A bill to provide partial reimbursement for losses incurred by commercial fishermen as a result of restrictions imposed on domestic commercial fishing by a State or Federal Government

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 "Domestic Fishermen's Emergency Assistance Act".

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of Commerce.

(b) The term "domestic fishing" means commercial fishing which is subject to regulation or restriction under the laws of any State.

(c) The term "fishing equipment" includes nets, equipment, and vessels used in domestic fishing.

(d) The term "prohibitive Federal or State restrictions"—

(1) means restrictions related to a deterioration in the quality of the aquatic environment and imposed on or after January 1, 1970, by any State or by any department or agency of the Federal Government which, in the judgment of the Secretary, impair the economic feasibility of any type of domestic fishing to such an extent as to reduce (i) by 50 per centum or more the fair market value, in the affected area, of fishing equipment principally useful for that type of fishing, or (ii) by 20 per centum or more the market value of the commercial catch in the affected area which would have been realized in the calendar year concerned but for the imposition of such restrictions; or

(2) means restrictions imposed or enforced on or after January 1, 1970, by any State, local government agency, or by any agency or department of the Federal Government which prohibits marketing of fishery products in this country because of a determination that the product is unfit for human consumption when the cause of such determination is change, either natural or man made, in environmental conditions, or a newly discovered hazardous condition, including but not limited to, the presence of toxic or potentially toxic constituents or contaminants.

(3) The term "eligible owner" means any legal entity which—

(1) is the owner of fishing equipment, and

(2) was engaged in domestic fishing as its usual occupation for one month or more prior to the imposition of prohibitive Federal or State restrictions thereon.

SEC. 3. (a) Any eligible owner of fishing equipment adversely affected by the imposition of prohibitive Federal and State restrictions in any calendar year may apply to the Secretary for a grant under this section for the purpose of enabling such owner to meet the usual business expenses which, but for the economic loss caused him by the imposition of such restrictions, such owner would ordinarily be able to meet.

(b)(1) In any case in which paragraph (2) does not apply, a grant made by the Secretary under this section may not exceed an amount equal to 70 per centum of the yearly gross earnings from domestic fishing operations which the eligible owner lost in the calendar year as a result of the imposition of such Federal or State restrictions. In determining lost gross earnings from domestic fishing operations for an eligible owner under this paragraph, the Secretary shall subtract the amount of actual or estimated gross earnings from such operations in the year in which such Federal or State restrictions were imposed from the yearly gross earnings from domestic fishing operations made by such eligible owner in the last calendar year in which no prohibitive Federal or State restrictions affected such owner's operations.

(2) In the case of an eligible owner who substantially increased his investment in fishing equipment for use in the calendar year in which such restrictions are imposed, as compared with his investment in fishing equipment in the calendar year immediately preceding such calendar year, a grant made under this section may not exceed an amount equal to 70 per centum of the estimated yearly gross earnings from domestic fishing operations which the eligible owner lost in the calendar year as a result of the imposition of such Federal or State restrictions. In estimating lost gross earnings under this paragraph, the Secretary shall take into account the size, type, and number of fishnets owned by the eligible owner and in use by him at the time of, or intended to be so used by him before, such Federal or State restrictions were imposed and the expected income per fishnet for that calendar year.

(c) Any eligible owner of fishery products adversely affected by the imposition of prohibitive Federal, State or local restrictions during the period specified, may apply to the Secretary for a grant under this section for the purposes of recovering losses incurred in the disposition of inventory declared unsalable because of those restrictions.

(d) No grant may be made under this section unless application therefor is made before the close of the calendar year after the calendar year in which the prohibitive Federal or State restrictions concerned are imposed.

SEC. 4. The Secretary shall attach such conditions and limitations with respect to a grant made under section 3 of this Act as he deems necessary or appropriate to protect the interests of the United States. Where there has been overpayment by the Secretary due to default or negligence of the applicants, the Secretary may require repayment plus interest or other appropriate penalty. The acceptance of a grant made under section 3 of this Act shall operate as an assignment to the Secretary of all rights of the eligible person receiving the grant to recover damages against any party for committing or failing to commit acts which resulted in the imposition of the prohibitive Federal or State restrictions on the basis of which the eligible person obtained such grant. If the Secretary recovers damages by exercising any right assigned to him under this section, any amount so recovered in excess of the amount of the grant made under this Act and the administrative expenses incurred in exercising such right shall be paid to the eligible person concerned.

SEC. 5 (a) Each recipient of a grant under this Act shall keep such records as the Secretary may prescribe, including records which can be used to support fully the amount of his grant, and such records as will facilitate an effective audit.

(b) 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 under this Act which are pertinent to such grant.

SEC. 6. There is authorized to be appropriated to carry out the purposes of the Act not to exceed $4,000,000 for the fiscal year ending June 30, 1973, and not to exceed $5,000,000 for each of the four succeeding fiscal years.

By Mr. NELSON:

S. 966. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, to provide for the establishment of a national drug testing and evaluation center; to provide for a Federal drug compendium which lists all prescription drugs by their generic names and which provides reliable, complete, and readily accessible prescribing information; to provide for a formulary of the United States; to provide for quality control for drugs paid for with Federal funds; to provide for the registration of drugs; to provide for the certification of certain drugs other than insulin and antibiotics; to provide for the regulation of sample drugs; and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, I am today reintroducing for appropirate reference a comprehensive bill to amend the Federal Food, Drug, and Cosmetic Act. This bill, which in slightly different form, was introduced originally in 1971, has seven titles and is designed to remedy many of the deficiencies of the present law in order to protect the American people against poorly tested, unsafe, ineffective, improperly used, and monopolistically priced drugs.

To accomplish this end, the bill seeks to assure: that the drugs on the market will be properly tested for safety and efficacy and will meet the highest standards of quality and purity; that important drugs will be available to the public at the lowest possible cost; that the prescriber will have ready access to complete and objective information about drugs to enable him to prescribe in a rational manner; that potentially dangerous drugs will be clearly labeled with an appropriate warning; and that the manufacturers will advertise their products only for the conditions of use for

which the drug was approved. To assist in the consideration of this bill I am also introducing each title as a separate bill.

When this legislation was originally proposed I submitted extensive explanations indicating why these proposals are urgently required to protect the public. I should like to review a few of the most significant features of the proposed legislation.

DRUG TESTING

The FDA has the grave responsibility of assuring that the drugs on the market are both safe and effective as demonstrated by adequate and well-controlled studies. It appears that a large number of people have faith in these drugs because it is believed that they have been tested for safety and effectiveness by the Federal Government. The decision to allow a drug on the market is based upon the evidence submitted by the very companies which seek to market the drug. The FDA determines the safety and efficacy of a drug solely on the basis of information supplied by the drug company which has a financial interest in getting the drug on the market.

The dangers involved in the dependence on these firms to perform, direct, and select the drug investigations is obvious. There is an inevitable tendency to emphasize the positive features and deemphasize the negative. In case after case, firms have been guilty of misrepresenting, distorting, and/or withholding vital information developed in their testing of drugs which might in any way retard or prevent marketing approval. Among such drugs, fortunately no longer on the market, are MER/29, Dornwall, Flexin, Thalidomide, Serc, Panalba, and others.

FDA since 1966 has been outspoken in its criticism of the poor quality of the material submitted to support drug marketing applications. Dr. John Jennings, FDA's Assistant Commissioner for Medical Affairs on September 16, 1970, stated that:

> The primary cause of the much touted delay in FDA decision-making is beyond all question the poor quality of the data, particularly that of the clinical investigations, submitted to us. Although this has improved over recent years, some sponsors still do not accept that a few well-conducted studies are much more persuasive than a mass of poorly documented case studies or even carefully documented random clinical reports.

The then-FDA Commissioner Ley said that out of 406 drug marketing applications received by the FDA in 1967, only 59 were approved. The reason given was the poor quality of the clinical studies as well as other inadequacies.

This bill, which provides for the establishment of a National Drug Testing and Evaluation Center, will reduce the possibility of bias in drug testing reduce the cost of drug testing by eliminating reliance on testimonials and impressions; and to reduce the time of drug testing thus enabling meritorious drugs to be marketed promptly.

Another important feature of the bill is that affirmative action on the part of the FDA is required before manufacturers may proceed to test new drugs in human beings. In many cases, according to the FDA, drug testing has been performed on human beings even before toxicity studies on animals have been completed. Since drugs have to be tested, it is imperative that proper protection be afforded to the test subjects.

Medical experts agree that the proliferation of drugs on the market make rational prescribing and usage of drugs extremely difficult. Many drugs coming on the market are either duplicative drugs sold under different trade names or drugs which are inferior to drugs already on the market. According to the Medical Letter of October 6, 1967, for example, Ponstel, an analgesic, was approved for marketing although it meets no medical need and should not be used.

The present law permits the marketing of drugs—even very hazardous drugs—if they are more effective than a placebo—a dummy pill—and if they can be labeled in such a way as to reveal the benefit to risk ratio—even though more effective and less hazardous drugs are available.

This bill provides that the Secretary of Health, Education, and Welfare shall refuse to approve a new drug application unless the tests or investigations conducted show that the safety or effectiveness of a new drug is significantly greater than the safety or effectiveness of any other drug or drugs on the market which are used for the same purpose or purposes as the new drug.

DRUG ADVERTISING

Another significant provision seeks to mitigate the influence of advertising on the prescription and use of drugs by requiring preclearance of drug advertising. Various studies have shown that as high as 68 percent of doctors specified detail men, 32 percent journal advertisements, 25 percent direct mail advertisements, and 22 percent drug samples as the two or three most important sources for familiarization with new drugs.[1] Another study showed that 46 percent of general practitioners believed that they were able to decide whether to use a new drug solely on the basis of seeing a drug salesman.[2]

Dr. Charles Edwards, the Commissioner of the Food and Drug Administration, in a speech to the Pharmaceutical Manufacturers Association on April 28, 1972, stated that:

> Despite the contention that advertising is education, most of the drug promotion we see is designed only to sell—to motivate the physician to prescribe and the consumer to buy. Are your current promotional efforts creating artificial needs? The answer to this question is unfortunately found in the very distressing story of the amphetamines, the tranquilizers, the barbiturates—all of which are part of one of the nation's most serious social problems—drug abuse.

The profound effect of drug promotion, especially the detail men, on medical practice, and our attitude and use of drugs is shown by a study done in California for the Social Security Administration.

According to this study, there was a dramatic difference in attitude toward the use of drugs when physicians preferring detailmen as a source of information were compared with those who preferred medical journals. The former were more likely to accept the use of mood-altering drugs in social situations as being legitimate "and were more likely to feel that the use of drugs in response to mood disturbances should not be a last resort. On the other hand, those physicians indicating preferences for medical journals were more reluctant to accept the use of drugs as a legitimate means for handling mood disturbances that may result from the stresses of everyday living and less likely to feel that the specific use of Librium—tranquilizers—or Dexedrine—amphetamine—for example, in such everyday living situations was legitimate." [3] In an article in the Annals of Internal Medicine, April 1971, Dr. George Edison wrote that:

> Amphetamines are among the most dangerous of currently psychoactive drugs. They cause dependence, behavioral toxicity, and physical damage.

An article in the September 25, 1972, issue of the Journal of the American Medical Association states that:

> . . . a relaxed attitude toward abusable drugs has established the medical profession as a prime community source for these materials.
>
> Beyond this, and of greater significance is the physician's unwitting role in creating drug dependence among his own patients. . . . A review of clinic charts showed that many patients were regularly receiving tranquilizer prescriptions for no apparent reason.

According to the latest figures, the prescription drug industry in 1971 spent more than $1 billion on advertising and promotion. It is estimated that of this sum "more than 85 percent must be classified as an economic waste." [4] Since the sales of drug manufacturers amount to about $4 billion, the advertising amounts to about 25 percent of sales.

This should be compared with the drug industry's expenditures on research and development which amount to roughly 6.2 percent of sales.[5] In other words, as percentage of sales the pharmaceutical industry spends about four times as much on advertising and promotion as on research and development.

This great disparity becomes even greater when we consider the quality of the research conducted by the drug industry. According to HEW's Task Force on Prescription Drugs:

> Since important new chemical entities represent only a fraction—perhaps 10 to 20 percent—of all new products introduced each year, and the remainder consists merely of minor modifications or combination products, then much of the industry's research and development activities would appear to

[1] Percentages add up to more than 100 because each doctor named more than one source.

[2] Harry F. Dowling: Medicines for Man, 1970, p. 274–5.

[3] Final Report: Patterns of Influence Among Pharmacists, Physicians and Patients by Milton S. Davis & Lawrence S. Linn Study financed by HEW–SSA, pp. 19–20.

[4] "Economic Problems in Drug Distribution"—Presented by T. Donald Rucker, Chief, Drug Studies Branch, DHIS/ORS, U.S. Social Security Administration at the Annual Meeting of the Pharmaceutical Wholesalers Association, Las Vegas, Nevada, March 8, 1972.

[5] Research and Development in Industry 1970, NSF 72–309, p. 76.

provide only minor contributions to medical progress.

The task force finds that to the extent the industry directs a share of its research program to duplicative, noncontributory products, there is a waste of skilled research manpower and research facilities, a waste of clinical facilities needed to test the products, a further confusing proliferation of drug products which are promoted to physicians and a further burden on the patient or taxpayer who, in the long run, must pay the costs." [6]

In other words, the great efforts of the pharmaceutical industry in persuading doctors to use drugs can be fully appreciated especially when compared with the relatively small efforts to provide important contributions to medical progress. Moreover, the number of people who decide which and how many drugs should be used and what must be reached by drug manufacturers is relatively small. The purchase of prescription drugs by 200 million people in the United States can be controlled by efforts directed at only 200,000 physicians. This means that at least $5,000 is being spent per year on each doctor to persuade him to prescribe drugs.

Does the large amount of advertising provide unbiased information to make wise prescribing decisions?

Or does excessive drug promotion, often represented as physician "education" or independent journalism, lead to irrational prescribing and over-medication?

In other words, is drug advertising the best way, that is, the most objective and economical way—of conveying drug information to physicians?

If not, are there appropriate remedial policies that can improve both the quality of information and the economic formation to efficiency with which it is provided?

In my judgment, drug advertising by its very nature cannot provide unbiased information to physicians. As the London Observer stated in its comments on the Sainsbury committees report on the pharmaceutical industry: [7]

PUBLIC HEALTH PRICE PROTECTION

Another significant provision in this proposed legislation seeks to reduce drug prices through opening patents on a reasonable royalty basis when monopolistic prices excesses occur.

On September 29 of last year we pointed out that the American drug industry is discriminating against the American people by charging higher prices for drugs in the United States than it charges for the same drug, by the same manufacturer, under the same brand name in foreign countries. I also supplied a number of specific examples to support the charges. In the meantime, numerous other examples have been revealed by the Department of Justice showing that the price discrimination against the American people is even worse than the previous examples indicated. The Department of Justice figures show that the American drug companies sell drugs to domestic wholesalers at different prices depending on where the drug is to be used. If the domestic wholesaler states that the drug will be shipped overseas, his price may be a third to a half lower than if he were to sell it to domestic users.

Differences in the prices charged for use abroad and within the United States can be seen in the following list: [8]

	Wholesale price when used—	
	Overseas	In United States
BRISTOL-MYERS		
Polycillin caps, 250 mg., 100's	$12.00	$18.20
Polycillin caps, 250 mg., 100's	10.50	18.20
Polycillin caps, 500 mg., 100's	17.00	35.16
Polycillin oral, 125 mg., 60 cc's	1.25	1.58
Polycillin oral, 125 mg., 80 cc's	1.40	2.10
Polycillin oral, 250 mg., 80 cc's	1.95	3.23
Salutensin tabs, 1000's	35.00	65.16
TRAVENOL		
Synthroid, 0.1 mg. tabs (yellow), 500's	1.75	4.47
Synthroid, 0.2 mg. tabs (pink), 500's	2.44	6.28
NORWICH PHARMACEUTICAL CO.		
Furadantin tabs, 50 mg., 100's	8.37	12.08
Furadantin tabs, 50 mg., 500's	38.98	56.25
Furadantin tabs, 100 mg., 100's	16.74	24.17
PFIZER		
Antivert tabs, 500's	12.40	16.96
Diabinese tabs, 1,000's	42.75	67.64
Diabinese tabs, 250's	10.60	17.28
AYERST LABORATORIES		
Penbritin, 250 mg., 100's	11.50	18.18
ORTHO PHARMACEUTICAL CO.		
Ortho-novum, 2 mg., dialpak	54.72	86.40
Ortho-novum, 1 mg	51.21	77.04
AMERICAN HOECHST		
Lasix tabs, 40 mg., 3,000	25.57	31.37
LAKESIDE LABORATORIES		
Mercuhydrin, 10 cc., vials, 100's	63.24	96.80
Norpramin, 25 m g., 500's	11.40	28.80
Norpramin, 50 mg., 500's	17.50	47.50
AMERICAN ROCHE		
Librium, 5 mg., 500's	16.65	20.66
Librium, 10 mg., 500's	18.50	26.78
Librium, 10 mg., 500's	17.50	26.78
Librium, 10 mg., 500's	19.50	26.78
Valium, 2 mg., 500's	18.00	26.69
Valium, 5 mg., 500's	21.00	32.30
Valium, 5 mg., 500's	22.00	32.30
Gantrisin tabs	12.50	20.24
MALLINKRODT		
Dintensin and Dintensin-R	20.00	32.85
DORSEY		
Triaminic tabs	10.21	13.80
A. H. ROBINS		
Quinidex Extentabs, 250's	22.18	26.67
Dimetapp Extentabs, 500's	25.99	31.25
Robaxin-750 tabs, 500's	33.61	40.42
Robaxisal tabs, 500's	19.40	23.34
Donnatal Extentabs, 500's	12.61	15.17
Sulla, 500's	35.34	42.50
Robaxisal P-H, 500's	19.40	23.34
Robinal P-H	12.82	15.42
Donnatal caps, 1,000's	12.13	14.58
Donnazyme, 500's	$12.65	$16.17
Robaxin	22.87	27.50
Dimetone Ext., 12 mg., 500's	18.02	21.76
Robinal	11.43	13.75
LEDERLE		
Declomycin caps, 150 mg., 100's	13.19	15.99
Aristocort, 4 mg., 100's	7.82	14.45

Nobody has any objection to any industry making reasonable or relatively high profits, but there are innumerable examples of unconscionably excess profits being made because of monopolistic practices and price discrimination against American buyers in favor of foreign purchasers of American manufactured drugs.

One of the most outrageous examples of price gouging is the tranquilizer meprobamate, a widely prescribed drug sold under the trade names of Miltown and Equanil. The holder of the patent on this drug is Carter-Wallace, Inc., a pharmaceutical manufacturer based in New York City. Although this firm sells meprobamate under the trade name, Miltown, it does not and never has produced its own meprobamate either in bulk or in final dosage form. Carter-Wallace buys the bulk material from foreign manufacturers for resale to U.S. manufacturers and for use in the meprobamate tablets it sells under its own name. When I first brought this situation to the attention of the Senate and the public on October 7, 1970, Carter-Wallace was buying this drug in bulk at 87 cents a pound and selling it to domestic manufacturers at $23.80 a pound, a markup of about 2,600 percent.

Carter-Wallace's cost of meprobamate in final dosage form made by another manufacturer was about 36.6 cents per bottle of 50 tablets, 400 miligrams, but was able to sell it at $3.60 to domestic wholesalers, a markup of 1,640 percent. Carter-Wallace was able to secure these fantastic markups because of its patent on this product. On the other hand, by purchasing from foreign competitive sources in the 9-year period 1960–68, the Defense Department bought for $1.6 million what would have cost $10.3 million, thus saving the taxpayers about $8.9 million on this drug alone.

The Defense Department and other Federal agencies can accomplish these great savings because they are not bound by law to observe patents or licensing agreements and may purchase at the lowest price from any manufacturer in the world. However, the American consumer does not have such a right and thus must pay whatever price the holder of the patent monopoly decides to charge. The ultimate irony, however, is that the District Court in February 1972 found that the patent was invalid. In November 1972, when the patent would have expired, the Court of Appeals for the 2d Circuit affirmed the decision of the District Court. Under an arrangement of mandatory licensing at a reasonable royalty, as proposed in this bill,

[6] Task Force on Prescription Drugs: Final Report, February 7, 1969, Department of HEW, p. 8.

[7] *London Observer*, October 1, 1967.

[8] It is interesting to note that these price differences were revealed by the Department of Justice in connection with a criminal indictment of a number of wholesalers who bought the drugs at the lower prices, representing that they would be used overseas. Instead, according to the indictment, they were purchased for use in the United States.

the public would not have been gouged for 17 years.

A summary of the significant provisions of the bill follows:

Title I: Sets up a National Drug Testing and Evaluation Center which will be responsible for the testing of all drugs, both prescription and over-the-counter, that are now or will be marketed in the United States. The FDA must give approval prior to testing drugs on human beings, and the results and conclusions of all tests will be made public. In order for a new drug to be approved, it must be demonstrated that the new drug is safer or more effective than a drug already on the market. As it has been the manufacturer's responsibility in the past to bear the expense of a drug's testing, he will continue to bear the expense. However, there will be channels open for appeal if the manufacturer is dissatisfied with the testing procedure.

Title II: Provides for the publication of a compendium which will list all drugs available in the United States by both generic and brand names. Such a compendium would include, for each drug, the drug's purpose, side effects, dosages available, cost, as well as other relevant information. As such a compendium could eliminate the need for inserts with full prescribing information now required, the cost of the compendium would be borne by the drug industry. Supplements will be issued from time to time to keep the compendium as up-to-date as possible, and it is also provided that all drug labeling and advertising must conform with the information found in the compendium.

Title III: Establishes a committee which will compile a formulary of drugs necessary for good medical practice, for purposes of direct procurement by the Federal Government and reimbursement for all Government financed programs, indicating the best drug available for each therapeutic category, in order to assist the physician in his prescribing of medication.

Title IV: Gives the Secretary of Health, Education and Welfare the authority to require batch-by-batch certification of all drugs—when needed—which will include provisions prescribing standards and identity of strength, quality and purity, tests and methods to determine compliance with such standards, and other measures necessary for the public good.

Title V: Prohibits the distribution of sample drugs without the written request of the physician. Furthermore, the sale of sample drugs, either directly or indirectly, is prohibited.

Title VI: Is a general section providing that (1) potentially dangerous drugs will be labeled with the appropriate warning; (2) labeling of drugs will be required so that all active ingredients will be clearly labeled; (3) no drug salesman shall make any oral presentation regarding any drug until he has placed before the physician or pharmacist an FDA approved document about the drug; and (4) the Secretary of HEW shall approve all advertising in advance that appears in either the electronic media, or in any publication or advertising circular, for any drug. The Secretary will approve only advertising which does not mislead or misrepresent the product, either in text or layout.

Title VII: Is designed to protect the American public against excessively high and discriminatory prices for drugs through mandatory licensing of drug patents at a reasonable royalty.

By Mr. BAKER:

S. 967. A bill to authorize appropriations for certain transportation projects in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Public Works.

ADMINISTRATION HIGHWAY BILL

Mr. BAKER. Mr. President, I send to the desk the administration's proposal to continue and broaden the Federal-aid highway program, entitled the "Federal-aid Highway and Public Transportation Act of 1973," and ask that it be appropriately referred. The bill will, I know, be received by the Committee on Public Works as both timely and helpful in its deliberations on the scope of new highway legislation.

This bill is timely because the Subcommittee on Roads, chaired by the distinguished Senator from Texas (Mr. BENTSEN), begins its markup tomorrow on S. 502 and other proposals for new highway legislation.

This bill does not come to the Senate unexpectedly. Secretary Brinegar of the Department of Transportation testified before the Subcommittee on Roads earlier this month, on February 15. During that testimony, he laid out the principles that are incorporated in this new legislation. He spoke, for example, most persuasively on the need to broaden the concept of the highway trust fund so as to allow metropolitan areas the flexibility they need in meeting urban transportation requirements.

With this bill now in hand, and with 4 days of hearings behind us, I am confident that the Committee on Public Works will act expeditiously to bring new highway legislation before the Senate. This is vital. Each day of delay means that we are likely to miss another day of the spring and summer construction season in many areas of the Nation.

I would point out that the administration also supports passage of Senate Concurrent Resolution 6, which I introduced on January 23, and which is cosponsored by the distinguished chairman of the Committee on Public Works (Mr. RANDOLPH) and several other Senators.

This resolution would allow apportionment of fiscal 1974 funds already authorized for the Interstate Highway System, without having to await final passage of a more comprehensive highway bill.

As Secretary Brinegar said in his testimony before the Roads Subcommittee:

We believe that Senate Concurent Resolution 6 is not a substitute for a comprehensive bill. Its purpose is simply that of alleviating the situation in those States where highway authorizations are curently running short. It will permit the continuation, without unneeded interruption, of Interstate construction, and at the same time will allow Congress to develop comprehensive highway and public transportation legislation.

Mr. President, I ask unanimous consent that a copy of the "Federal-Aid Highway and Public Transportation Act of 1973" be printed at this point in the RECORD, together with a section-by-section analysis of the bill.

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

S. 967

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

SHORT TITLE

SEC. 101. This act may be cited as the "Federal-Aid Highway and Public Transportation Act of 1973".

REVISION OF AUTHORIZATION OF APPROPRIATIONS FOR INTERSTATE SYSTEM

SEC. 102. Section 108(b) of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1974, the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1976" and inserting in lieu thereof the following: "the additional sum of $3,250,000,000 for the fiscal year ending June 30, 1974, the additional sum of $3,150,000,000 for the fiscal year ending June 30, 1975, the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1976, the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1977, the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1978, the additional sum of $3,000,000,000 for the fiscal year ending June 30, 1979, and the additional sum of $1,357,000,000 for the fiscal year ending June 30, 1980".

AUTHORIZATION OF USE OF COST ESTIMATE FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation is authorized to make the apportionment for fiscal years 1974, 1975, and 1976 of the sums authorized to be appropriated for such years for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in revised table 5 of House Public Works Committee Print Number 92-29.

EXTENSION OF TIME FOR COMPLETION OF SYSTEM

SEC. 104. (a) The second paragraph of section 101(b) of title 23, United States Code, is amended by striking out "twenty years' " and inserting in lieu thereof "twenty-four years' " and by striking out "June 30, 1976" and inserting in lieu thereof "June 30, 1980".

(b)(1) The introductory phrase and the second and third sentences of section 104(b)(5) of title 23, United States Code, are amended by striking out "1976" each place it appears and inserting in lieu thereof at each such place "1980".

(2) Section 104(b)(5) is further amended by striking out the sentence preceding the last three sentences and inserting in lieu thereof the following: "Upon the approval of the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1974, 1975 and 1976. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1975. Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1977 and 1978. The Secretary shall make a final revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1977. Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1979 and 1980. Whenever the Secretary, pursuant to this subsection, requests and receives estimates of cost from the State highway departments, he shall furnish copies of such estimates at the same time to the Senate and the House of Representatives."

AUTHORIZATIONS

SEC. 105. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, out of the Highway Trust Fund, $1,000,000,000 for each of the fiscal years 1974, 1975, and 1976.

(2) For the Federal-aid urban system, out of the Highway Trust Fund, $1,100,000,000 for fiscal year 1974, $1,200,000,000 for fiscal year 1975, and $1,350,000,000 for fiscal year 1976.

(3) For forest highways, out of the Highway Trust Fund, $33,000,000 for each of the fiscal years 1975 and 1976.

(4) For public lands highways, out of the Highway Trust Fund, $16,000,000 for each of the fiscal years 1975 and 1976.

(5) For the Federal-aid Indian reservation road and bridge system, out of the Highway Trust Fund, $60,000,000 for the fiscal year 1974, and $75,000,000 for each of the fiscal years 1975 and 1976.

(6) For carrying out section 215(a) of title 23, United States Code—

(A) for the Virgin Islands, not to exceed $1,500,000 for fiscal year 1974, and not to exceed $2,000,000 for each of the years 1975 and 1976.

(B) for Guam, not to exceed $1,500,000 for fiscal year 1974, and not to exceed $2,000,000 for each of the fiscal years 1975 and 1976.

(C) for American Samoa, not to exceed $500,000 for fiscal year 1974, and not to exceed $1,000,000 for each of the fiscal years 1975 and 1976.

Sums authorized by this paragraph shall be available for obligation at the beginning of the fiscal year for which authorized in the same manner and to the same extent as if such sums were apportioned under chapter 1 of title 23, United States Code.

(7) For carrying out section 319(b) of title 23, United States Code (relating to landscaping and scenic enhancement), out of the Highway Trust Fund $3,000,000 for each of the fiscal years 1975 and 1976.

(8) For necessary administrative expenses in carrying out section 131, section 136, and section 319(b) of title 23, United States Code, out of the Highway Trust Fund, $1,300,000 for each of the fiscal years 1974, 1975, and 1976.

(9) Nothing in the first six paragraphs of this section shall be construed to authorize the appropriation of any sums to carry out section 131, 136, 319(b), or chapter 4 of title 23, United States Code.

(b) Any State which has not completed Federal funding of the Interstate System within its boundaries shall receive at least one-half of one percentum of the total apportionment for each of the fiscal years 1974, 1975, and 1976 under section 104(b)(5) of title 23, United States Code, or an amount equal to the actual cost of completing such funding, whichever amount is less.

DEFINITIONS

SEC. 106. Section 101(a) of title 23, United States Code, is amended as follows:

(1) The definition of the term "construction" is amended by striking out "Coast and Geodetic Survey" and by inserting in lieu thereof: "National Oceanic and Atmospheric Administration".

(2) The definition of "rural areas" is amended to read:

"The term 'rural areas' means all areas of a State not included in urbanized areas."

(3) The definition of "urbanized areas" is amended to read:

"The term 'urbanized area' means an area so designated by the Bureau of the Census, within boundaries to be fixed by responsible State and local officials in cooperation with each other subject to approval by the Secretary. Such boundaries shall, as a minimum, encompass the entire urbanized area designated by the Bureau of the Census."

(4) The definition of the term "urban area" is amended by inserting immediately after "State highway department" the following: "and appropriate local officials in cooperation with each other".

FEDERAL-AID SYSTEMS

SEC. 107. (a) Section 103(b) of title 23, United States Code, is redesignated as section 103(b)(1) and a new section 103(b)(2) is added to read as follows:

"(b)(2) After June 30, 1975, the Federal-aid primary system shall consist of an adequate system of arterial routes in rural areas important to interstate, statewide, or regional travel. The Federal-aid primary system shall be designated by each State, subject to the approval of the Secretary as provided in subsection (f) of this section."

(b) Section 103(c) of title 23, United States Code, is redesignated as section 103(c)(1) and a new section 103(c)(2) is added to read as follows:

"(c)(2) After June 30, 1975, the Federal-aid secondary system shall consist of major collector routes in rural areas. The Federal-aid secondary system shall be designated by each State and appropriate local officials in cooperation with each other, subject to the approval of the Secretary as provided in subsection (f) of this section."

(c) Section 103(d) of title 23, United States Code, is amended to read as follows:

"(d) The Federal-aid urban system shall be located in urbanized areas and consist of arterial and collector routes, and other significant local routes. The routes on the Federal-aid urban system shall be designated by the appropriate local officials, after consultation with the State, and in accordance with section 134 of this title. Designation of the system shall be subject to the approval of the Secretary as provided in subsection (f) of this section. If a State does not have an urbanized area, or part thereof, it may designate routes on the Federal-aid urban system for its largest urban area, based upon a continuing planning process developed cooperatively by State and local officials and approved by the Secretary. Funds authorized to be appropriated for the Federal-aid urban system are eligible for expenditure on any Federal-aid highway route within an urbanized area."

(d) Section 103(e) of title 23, United States Code, is amended by adding at the end thereof the following:

"(4) In addition to the provisions of paragraph (2) of the subsection, the Secretary may, at any time prior to July 1, 1974, upon the joint request of a State and the local governments concerned, withdraw his approval of any route or portion thereof on the Interstate System within that State selected and approved in accordance with this title prior to the enactment of this paragraph, if he determines that such route or portion thereof is not essential to completion of a unified and connected Interstate System and if he receives assurances that the State does not intend to construct a toll road in the traffic corridor which would be served by such route or portion thereof. After the Secretary has withdrawn his approval of any such route or portion thereof, a sum equal to the Federal share of the cost of such route or portions thereof, based upon the 1972 Interstate cost estimate, shall be available for projects on any Federal-aid system within that State, including projects authorized by section 142 of this title. The Federal share for projects substituted under this paragraph shall be determined in accordance with the provisions of section 120 of this title applicable to the Federal-aid system of which the substitute project is a part.

(e) Section 103(g) of title 23, United States Code, is amended to read as follows:

"(g) The Secretary, on July 1, 1974, shall remove from designation as a part of the Interstate System any segment of the System for which a State has not established a schedule for the expenditure of funds for completion of construction of such segment within the period of availability of funds authorized to be appropriated for completion of the Interstate System, and with respect to which the State has not satisfied the Secretary that such schedule will be met. The Secretary, on July 1, 1976, shall remove from designation as a part of the Interstate System any segment of the System with respect to which a State has not submitted plans, specifications, and estimates for approval. No segment of the Interstate System removed under authority of this subsection shall thereafter be designated as a part of the Interstate System.

APPORTIONMENT

SEC. 108. Section 104 of title 23, United States Code, is amended as follows:

(1) The introductory part of subsection (b) is amended by striking out "deduction authorized by subsection (a) of this section" and inserting in lieu thereof "deductions authorized by subsections (a) and (d) of this section".

(2) Subsection (b)(1) is amended to read as follows:

"(1) For the Federal-aid primary system:

"One-third in the ratio which the area of each State bears to the total area of all the States; one-third in the ratio which the total population of each State outside of urbanized areas, or parts thereof, bears to the total population of all the States outside of urbanized areas, or parts thereof, as shown by the latest available Federal census; one-third in the ratio which the mileage in each State of rural delivery routes and intercity mail routes where service is performed by motor vehicles bears to the total mileage in all the States of such rural delivery and intercity mail routes at the close of the next preceding calendar year, as shown by a certificate of the Postmaster General, which he is directed to make and furnish annually to the Secretary. No State shall receive less than one-half of one percent of each year's apportionment. If a State does not have an urbanized area, or part thereof, the population of its largest urban area shall be excluded from the population totals computed under this paragraph."

(3) Subsection (b)(2) is amended to read as follows:

"(2) For the Federal-aid secondary system:

"In accordance with the needs of such system as determined by each State from funds apportioned to the State under paragraph (1) of this subsection, but not less than 10 per centum nor more than 30 per centum of those funds."

(4) Subsection (b)(6) is amended to read as follows:

"(6) For the Federal-aid urban system:

"In the ratio which the population in urbanized areas, or parts thereof, in each State bears to the total population in urbanized areas, or parts thereof in all the States as shown by the latest available Federal census. If a State does not have an urbanized area, or part thereof, the population of its largest urban area shall be included in the population totals computed under this paragraph."

(5) Subsections (c), (d), and (f) are repealed; subsection (e) is redesignated as subsection (c); and a new subsection (d) is added as follows:

"(d) On or before January 1 next preceding the commencement of each fiscal year, the Secretary shall set aside not to exceed one-half per centum of the funds authorized to be appropriated for expenditure upon the Federal-aid systems for that fiscal year for the purpose of carrying out the requirements of section 134 of this title, and apportion that amount to the States in the manner

provided by subsection (b)(6) of this section. The funds apportioned to a State under this paragraph shall be allocated within the State to the agencies responsible for carrying out the provisions of section 134 of this title according to a formula developed by the State and approved by the Secretary. In deriving a formula under this paragraph, the State shall take into consideration such factors as population, status of planning, and metropolitan area transportation needs. Funds made available to a State under this paragraph shall be matched by the State in accordance with section 120(a) of this title unless the Secretary determines that the interests of Federal transportation programs would be served better without such matching."

PROGRAM APPROVAL

SEC. 109. Section 105(d) of title 23, United States Code, is amended to read as follows:

"(d) In approving programs for projects on the Federal-aid urban system, the Secretary shall require that such projects be selected by the appropriate local officials, after consultation with the State, in accordance with section 134 of this title. Urban area traffic operations improvement programs and fringe and corridor parking facilities authorized by sections 135 and 137, respectively, of title 23, United States Code, shall be given full consideration in the selection of projects on the Federal-aid urban system."

ADVANCE ACQUISITION OF RIGHTS-OF-WAY

SEC. 110. (a) The last sentence of section 108(a) of title 23, United States Code, is amended by striking out "seven years" and inserting in lieu thereof "ten years".

(b) The first sentence of section 108(c)(3) of title 23, United States Code, is amended by striking out "seven years" and inserting in lieu thereof "ten years".

SIGNS ON PROJECT SITE

SEC. 111. The last sentence of section 114(a) of title 23, United States Code, is amended to read as follows: "After July 1, 1973, the State highway department shall not erect on any project where actual construction is in progress and visible to highway users any informational signs other than official traffic control devices conforming with standards developed by the Secretary."

CERTIFICATION ACCEPTANCE

SEC. 112. (a) Section 117 of title 23, United States Code, is amended to read as follows:

§ 117. Certification acceptance

"(a) The Secretary may discharge any of his responsibilities under this title relative to projects on the Federal-aid systems, except the Interstate System, upon the request of any State, by accepting a certification of its capability to perform such responsibilities, if he finds that such projects will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this title.

"(b) The Secretary shall make a final inspection of each such project upon its completion and shall require an adequate report of the estimated and actual cost of construction as well as such other information as he determines necessary.

"(c) The procedure authorized by this section shall be an alternative to that otherwise prescribed in this title. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(d) Acceptance by the Secretary of a State's certification under this section may be rescinded by the Secretary within his discretion.

"(e) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.), section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et seq.), title VIII of the Act of April 11, 1968 (P.L. 90-284, 42 U.S.C. 3601 et. seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.), other than this title.

(b) The analysis of chapter 1 of title 23, United States Code, is amended by striking out

"117. Secondary road responsibilities."

and inserting in lieu thereof the following:

"117. Certification acceptance.".

PUBLIC HEARINGS

SEC. 113. Section 128(a) of title 23, United States Code, is amended by adding the following at the end thereof:

"The Secretary shall also require with the submission of plans for a Federal-aid project an assurance that all steps have been taken as required pursuant to guidelines issued by the Secretary to foster and ensure public participation in the planning of the project before and after the public hearings required by this subsection."

FERRIES

SEC. 114. The last subsection of section 129 of title 23, United States Code, is redesignated as subsection (g) and paragraph (5) of that subsection is amended to read as follows:

"(5) Such ferry may be operated only within the State (including among the islands which comprise the State of Hawaii) or between adjoining States. Except with respect to operations between the islands which comprise the State of Hawaii and operations solely between the States of Alaska and Washington, no part of such a ferry operation shall be in any foreign or international waters."

CONTROL OF OUTDOOR ADVERTISING

SEC. 115. (a) The first sentence of section 131(b) of title 23, United States Code, is amended by inserting after "main traveled way of the system," the following: "and Federal-aid highway funds apportioned after the date of enactment of the Federal-Aid Highway and Public Transportation Act of 1973 to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are six hundred and sixty feet or more from the nearest edge of the right-of-way, outside of incorporated cities and villages, and visible from the main traveled way of the system".

(b) Section 131(c) of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices, shall after January 1, 1968, if located within six hundred and sixty feet of the right-of-way, and after July 1, 1974, or after the expiration of the next regular session of the State legislature, whichever is later, if located six hundred and sixty feet or more from the right-of-way, be limited to (1) directional and official signs and notices, which signs and notices shall include, but not be limited to, signs and notices pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Section 131(e) of title 23, United States Code, is amended to read as follows:

"(e) Any nonconforming sign under State law enacted to comply with this section shall be removed no later than the end of the fifth year after it becomes nonconforming, except as determined by the Secretary."

(d) Section 131(f) of title 23, United States Code, is amended by inserting the following after the first sentence:

"The Secretary shall also, in consultation with the States, provide within the rights-of-way of other roads on the Federal-aid highway system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained."

(e) Section 131(g) of title 23, United States Code, is amended by striking out the first sentence and inserting the following in lieu thereof:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law prior to the date of enactment of the Federal-Aid Highway and Public Transportation Act of 1973."

(f) Section 131(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out the provisions of this section, out of any money in the Treasury, not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $2,000,000 for fiscal year 1970, not to exceed $27,000,000 for fiscal year 1971, not to exceed $20,500,000 for fiscal year 1972, and not to exceed $50,000,000 for fiscal year 1973, and, out of the Highway Trust Fund, $55,000,000 for each of the fiscal years 1975 and 1976. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

TRANSPORTATION PLANNING IN CERTAIN URBANIZED AREAS

SEC. 116. Section 134(a) of title 23, United States Code, is amended by striking the second and third sentences and inserting in lieu thereof the following:

"To accomplish this objective the Secretary shall cooperate with the States as authorized in this title, in the development of transportation plans and programs which are formulated with due consideration to their probable effect on the future development of urbanized areas. The Secretary shall not approve under section 105 of this title any program for projects in any urbanized area unless he finds (1) that such projects result from a continuing comprehensive transportation planning and programing process conducted by the local governments with consultation and participation by the State, and (2) that all reasonable measures have been taken to permit, encourage, and assist public participation in the planning and programing process. This process shall serve as the basis for assigning priorities and allocating funds for projects on the Federal-aid urban system. A project may not be constructed or implemented in any urbanized area unless the responsible public officials of the area in which the project is located have been consulted and their views considered with respect to the corridor, the location, and the design of the project."

URBAN AREA TRAFFIC OPERATIONS IMPROVEMENT PROGRAMS

SEC. 117. Section 135(c) of title 23, United States Code, is repealed and section 135(d) is relettered as subsection (c), including any references thereto.

CONTROL OF JUNKYARDS

SEC. 118. (a) Section 136(j) of title 23, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following: "Just compensation shall be paid by the owner for the relocation, removal, or disposal of junkyards lawfully established under State law prior to the date of enactment of the Federal-Aid Highway and Public Transportation Act of 1973."

(b) Section 136(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out this section, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $3,000,000 for each of the fiscal years 1970, 1971, and 1972, not to exceed $5,000,000 for fiscal year 1973, and out of the Highway Trust Fund, not to exceed $7,000,000 for each of the fiscal years 1975 and 1976. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

PRESERVATION OF PARKLANDS

SEC. 119. Section 138 of title 23, United States Code, is amended (1) by striking out "lands" in the first sentence and inserting in lieu thereof "areas (including water)", and (2) by striking out "lands" and "land" wherever thereafter appearing therein and inserting in lieu thereof "areas" and "area", respectively.

TRAINING PROGRAMS

SEC. 120. Section 140(b) of title 23, United States Code, is amended by striking out in the second sentence "and 1973" and inserting in lieu thereof", 1973, 1974, and 1975".

PUBLIC TRANSPORTATION

SEC. 121. (a) Section 142 of title 23, United States Code, is amended to read as follows:

"§ 142. Public mass transportation

"(a) To encourage the development, improvement, and use of public mass transportation systems for the transportation of passengers within urbanized areas, so as to increase the efficiency of the Federal-aid systems, sums apportioned in accordance with section 104(b)(6) of this title shall be available to finance the Federal share of the cost of construction and acquisition of facilities and equipment for public mass transportation projects. For purposes of this subsection, the term 'public mass transportation' means ground transportation which provides general or special service (excluding schoolbus, charter, and sightseeing service) to the public on a regular and continuing basis, and includes activities designed to coordinate such service with other transportation. Projects which may be financed under this subsection include, but are not limited to, exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus, rail, and other public mass transportation passengers, the construction of fixed rail facilities, and the purchase of passenger equipment, including rolling stock for fixed rail facilities. Projects financed under this subsection may also include exclusive or preferential truck and emergency vehicle routes or lanes.

"(b) To encourage the development, improvement, and use of public transportation systems for the transportation of passengers in urban areas and rural areas designated by the States and approved by the Secretary on the basis of local transportation need, so as to increase the efficiency of the Federal-aid systems, sums apportioned in accordance with paragraphs (1) and (2) of section 104(b) of this title shall be available to finance the Federal share of the costs of projects for highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers, and for the purchase of passenger equipment other than rolling stock for fixed rail facilities.

"(c) To encourage the development, improvement, and use of public transportation systems for the transportation of passengers in such urban areas and rural areas as may be designated by the States and approved by the Secretary on the basis of local transportation need, so as to increase the efficiency of the Federal-aid systems, sums apportioned in accordance with section 104(b)(5) of this title shall be available to finance the Federal share of the costs of projects for the construction of exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus and other public mass transportation passengers. Projects financed under this subsection may also include exclusive or preferential truck and emergency vehicle routes or lanes. Routes constructed under this subsection shall not be subject to the third sentence of section 109(b) of this title.

"(d) The establishment of routes and schedules of such public mass transportation systems in urbanized areas shall be based upon a continuing comprehensive transportation planning process carried on in accordance with section 134 of title 23, United States Code.

"(e) For the purpose of this title, a project authorized by subsections (a), (b), or (c) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be determined in accordance with the provisions of section 120 of this title applicable to the Federal-aid system involved.

"(f) No public mass transportation project authorized by this section shall be approved unless the Secretary of Transportation is satisfied that public mass transportation systems will have adequate capability to utilize fully the proposed project and to maintain and operate properly any equipment acquired under this section.

"(g) In the acquisition of equipment pursuant to subsections (a) and (b) of this section, the Secretary shall require that such equipment meet the standards prescribed by the Administrator of the Environmental Protection Agency under section 202 of the Clean Air Act, as amended, and shall authorize, whenever practicable, that such equipment meet the special criteria for low-emission vehicles set forth in section 212 of the Clean Air Act, as amended.

"(h) The provisions of chapters 1 and 3 of title 23, United States Code, shall apply in carrying out the provisions of this section except with respect to projects within urban areas as to which the Secretary determines the provisions of the Urban Mass Transportation Act of 1964, as amended, are more appropriately applicable."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by striking out

"142. Urban highway public transportation."

and inserting in lieu thereof

"142. Public Mass Transportation."

AVAILABILITY OF URBAN SYSTEM FUNDS

SEC. 122. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 145. Availability of urban system funds

"(a) Funds apportioned to a State under section 104(b)(6) of this title which are attributable to urbanized areas having a population of 400,000 or more, or parts thereof, shall be allocated among such urbanized areas, or parts thereof, within the State in the ratio that the population of the State within each such urbanized area, or part thereof, bears to the population of all such urbanized areas, or parts thereof, within the State. However, such funds shall be available for expenditure in another urbanized area within such State if the responsible public officials in both urbanized areas agree to such availability.

"(b) In any case where an agency is created for an urbanized area having a population of 400,000 or more, funds allocated to the urbanized area under this section shall be available to that agency. An agency shall be considered to exist for an urbanized area if (1) it has been created (A) under State law by the local unit or units of general purpose governments within the urbanized area which represent at least 75 per centum of the total population of the area and includes the political subdivision with the largest population in the urbanized area, or (B) by the State or States involved; and (2) it has adequate powers and is suitably equipped and organized to plan and carry out projects on the Federal-aid urban system. The agency may delegate the authority to carry out projects to appropriate State, metropolitan, or local agencies.

"(c) In the event that cooperation between the States is necessary in order to realize the full benefit of provisions of this section, the consent of Congress is given to the States to enter into agreements."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by inserting at the end thereof the following:

"145. Availability of urban system funds."

BICYCLE TRANSPORTATION, PEDESTRIAN WALKWAYS, AND EQUESTRIAN TRAILS

SEC. 123. (a) Chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new section:

"§ 146. Bicycle transportation, pedestrian walkways, and equestrian trails

"(a) Sums apportioned in accordance with section 104(b) of this title shall be available to finance the Federal share of the cost of projects for the acquisition or construction of separate or preferential bicycle lanes, pedestrian walkways, and equestrian trails on or in conjunction with highway and other rights-of-way, including overpasses and underpasses, traffic control devices, shelters, and bicycle parking facilities. Projects authorized under this section shall be located and designed pursuant to an overall plan which provides due consideration for safety and contiguous routes.

"(b) For purposes of this title, a project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such project shall be that provided in section 120(a) of this title.

"(c) Funds authorized and appropriated for forest highways, forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads, and public lands highways shall be available, at the discretion of the Department charged with the administration of such funds, for the construction of bicycles, pedestrian, and equestrian routes in conjunction with such trails, roads, highways, and parkways.

"(d) Except for maintenance or emergency purposes, no motorized vehicles shall be permitted on paths, trails, or walkways authorized under this section."

(b) The analysis of chapter 1 of title 23, United States Code, is amended by inserting at the end thereof the following:

"146. Bicycle transportation, pedestrian walkways, and equestrian trails."

FEDERAL-AID INDIAN RESERVATION ROAD AND BRIDGE SYSTEM

SEC. 124. (a) Section 208 of title 23, United States Code, is amended to read as follows:

"Sec. 208. Federal-aid Indian reservation road and bridge system

"(a) The Federal-aid Indian reservation road and bridge system shall consist of roads and bridges that are located within or provide access to an Indian reservation or Indian trust land or restricted Indian land which is not subject to fee title alienation without the approval of the Federal Government on which Indians reside whom the Secretary of the Interior has determined to be eligible for services generally available to Indians under Federal laws specifically applicable to Indians. The Federal-aid Indian reservation road and bridge system shall be designated by the Secretary and the Secretary of the Interior in conformity with regulations jointly developed. No road or bridge on the Federal-aid Indian reservation road and bridge system shall also be a route on any other Federal-aid system.

"(b) Funds available for the Federal-aid Indian reservation road and bridge system shall be used for the cost of construction and improvement thereof. In connection therewith, the Secretary may enter into construction contracts and such other contracts with a State or civil subdivision thereof as he deems advisable.

"(c) All appropriations for the Federal-aid Indian reservation road and bridge system shall be administered in conformity with regulations jointly approved by the Secretary and the Secretary of the Interior.

"(d) The Secretary shall transfer to the Secretary of the Interior from appropriations for the Federal-aid Indian reservation road and bridge system such amounts as may be needed to cover necessary administrative expenses of the Bureau of Indian Affairs in connection with the Federal-aid Indian reservation road and bridge program.

"(e) Construction estimated to cost $15,000 or more per mile, exclusive of bridges, shall be advertised and let to contract. If such estimated cost is less than $15,000 per mile, or if, after proper advertising, no acceptable bid is received or the bids are deemed excessive, the work may be done by the Secretary on his own account. For such purposes, the Secretary may purchase, lease, hire, rent, or otherwise obtain all necessary supplies, materials, tools, equipment, and facilities required to perform the work, and may pay wages, salaries, and other expenses for help in connection with such work, Provided, That the Secretary shall employ Indian labor to the greatest extent possible in carrying out work done on his own account.

"(f) Indian labor may be employed in such construction and improvement under such rules and regulations as may be prescribed by the Secretary of the Interior.

"(g) Cooperation of States, counties, or other local subdivisions may be accepted in such construction and improvement, and any funds, received from a State, county, or local subdivision shall be credited to appropriations available for the Federal-aid Indian reservation road and bridge system."

(b) The analysis of chapter 2 of title 23, United States Code, is amended by striking out "208. Indian reservation roads" and inserting in lieu thereof the following:

"208. Federal-aid Indian reservation road and bridge system."

(c) Section 202 of title 23, United States Code, is amended by adding a new subsection (d) as follows:

"(d) Sums authorized to be appropriated for the Federal-aid Indian reservation road and bridge system shall be allocated by the Secretary of the Interior."

(d) Subsection (a) of section 101 of tile 23, U.S.C., is amended as follows:

(1) After the definition of the term "Federal-aid urban system" add the following new paragraph: "The term 'Federal-aid Indian reservation road and bridge system' means the Federal-aid highway system described in section 208 of this title."

(2) The definition of the term "Federal-aid highways" is amended to read as follows: "The term 'Federal-aid highways' means highways located on one of the Federal-aid systems described in sections 103 and 208 of this title."

(e) The Secretary, in cooperation with the Secretary of the Interior, the States, counties and Tribal Councils, shall conduct a full and complete investigation and study of the Federal-aid Indian reservation road and bridge system including, but not limited to, a functional highway classification study of such routes and reports to Congress his recommendations resulting from such investigation and study not later than July 1, 1974, including an estimate of the cost of such a program. Funds authorized to carry out section 307 of this title are authorized to be used to carry out the investigation and study required by this subsection.

PUBLIC TRANSPORTATION IN NATIONAL FORESTS AND PARKS

SEC. 125. (a) Section 204(f) of title 23, United States Code, is amended to read as follows:

"(f) Funds available for forest highways shall be available for adjacent vehicular parking areas, for sanitary, water, and fire control facilities, and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportation."

(b) Section 206 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Funds available for park roads and trails shall be available for adjacent vehicular parking areas and for passenger loading areas and facilities and the purchase of buses to provide interpretive or shuttle transportation services as an alternative means of transportation."

RESEARCH AND PLANNING

SEC. 126. Section 307(c) of title 23, United States Code, is amended to read as follows:

"(c)(1) One and one-half per centum of the sums apportioned for each fiscal year beginning with fiscal year 1974 to any State under section 104(b) of this title shall be available to the State with the approval of the Secretary for expenditure only for engineering and economic surveys and investigations; for the planning of transportation programs and the financing thereof, including associated land use planning; for studies of the economy, safety, and convenience of highway usage and the desirable regulation and equitable taxation thereof; and for research and development necessary in connection with the planning, design, construction, and maintenance of highways and transportation systems, and the regulation and taxation of their use.

"(c)(2) In addition to the percentage provided in paragraph (1) of this subsection, not to exceed one-half of one per centum of the sums apportioned for each fiscal year beginning with fiscal year 1974 to any State under section 104(b) of this title shall be available to the State upon its request for the purposes enumerated in paragraph (1) of this subsection, including demonstration projects in connection with such purposes.

"(c)(3) Sums made available under this subsection shall be matched by the State in accordance with section 120 of this title unless the Secretary determines that the interests of the Federal-aid highway program would be served better without such matching."

DEMONSTRATION PROJECT—RAIL CROSSINGS

SEC. 127. (a) Section 322(c) of title 23, United States Code, is amended to read as follows:

"(c)(1) If the highway involved is on any Federal-aid system, the Federal share of the cost of such work shall be 100 per centum.

"(2) If the highway involved is not on any Federal-aid system, the Federal share of the cost of such work shall be 90 per centum and the remaining 10 per centum of such cost shall be paid by the State in which such crossing is located."

(b) Section 322(f) of title 23, United States Code, is amended by striking out "$9,000,000" and "$22,000,000" and inserting in lieu thereof "$20,000,000" and "$32,000,000." respectively.

(c) The amendments made by this section shall take effect with respect to all obligations incurred after January 1, 1971.

TECHNICAL AMENDMENTS

SEC. 128. Title 23, United States Code, is amended as follows:

(a) Section 101(a) is amended by striking out "Secretary of Commerce" and inserting in lieu thereof "Secretary of Transportation".

(b) Section 109(g) is amended by striking out "Rct" and inserting in lieu thereof "Act".

(c) Section 126(a) and 310 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

(d) The heading of section 303 is amended to read: "Administration organization".

(e) Sections 308(b), 312, and 314 are amended by striking out "Bureau of Public Roads" each place it appears and inserting in lieu thereof "Federal Highway Administration".

(f) Section 309 is amended by striking out "Bureau of Public Roads" and inserting in lieu thereof "Department of Transportation".

(g) Sections 312 and 314 are amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

INCREASED FEDERAL SHARE—EFFECTIVE DATE

SEC. 129. Section 108(b) of the Federal-Aid Highway Act of 1970 is amended to read as follows:

"(b) The amendments made by subsection (a) of this section shall take effect with respect to all obligations incurred after June 30, 1973, except for projects on which Federal funds were obligated on or before that date."

SECTION-BY-SECTION ANALYSIS

Section 101. Short title.

This section provides that the bill may be cited as the "Federal-Aid Highway and Public Transportation Act of 1973".

Section 102. Revision of authorization of appropriations for interstate system.

This section provides authorizations for the Interstate highway program through fiscal year 1980 in the following amounts: for fiscal year 1974, $3.25 billion; for fiscal year 1975, $3.15 billion; for each of the fiscal years 1976 through 1979, $3 billion; and for fiscal year 1980, $1.047 billion.

Section 103. Authorization of use of cost estimate for apportionment of interestate funds.

This section provides for the use of the apportionment factors contained in revised table 5 of the 1972 Interstate System Cost Estimate (House Public Works Committee Print No. 92–29) for the apportionment of Interstate System funds authorized to be appropriated for fiscal years 1974, 1975, and 1976.

Section 104. Extension of time for completion of system.

This section extends the time for completion of the Interstate System until June 30, 1980, and directs the Secretary to submit to Congress a revised Interstate System Cost Estimate in January 1975 for apportionment of Interstate System funds for fiscal years 1977 and 1978, and a final Interstate System Cost Estimate in January of 1977 for apportionment of Interstate System funds for fiscal years 1979 and 1980.

Section 105. Authorizations.

This section authorizes the appropriations out of the Highway Trust Fund of the follow-

ing sums: for each of the fiscal years 1974, 1975, and 1976, for the Federal-aid primary system in rural areas, $1 billion; for the Federal-aid urban system, $1.1 billion for fiscal year 1974, $1.2 billion for fiscal year 1975, and $1.35 billion for fiscal year 1976. There is no separate authorization for the Federal-aid secondary system in rural areas. However, section 108 of the bill revises the apportionment formula in 23 U.S.C. 104(b) to provide for meeting the needs of that system out of monies for the primary system.

In addition to the authorizations for the Federal-aid systems, the bill also continues funds for forest highways, public lands highways, and Indian reservation roads and bridges. For the first tie, the funds for Indian reservation roads and bridges will come out of the Highway Trust Fund. Funds for forest highways and public lands highways will come from the trust fund in accordance with the practice established in the 1970 Federal-Aid Highway Act. The authorizations for these highways are as follows:

[In millions]

Category	1974	1975	1976
Forest highways		33	33
Public lands highways		16	16
Federal-aid Indian reservation road and bridge system	60	75	75

This section also authorizes $3 million for each of the fiscal years 1975 and 1976 for landscaping and scenic enhancement; $1.3 million for each of the fiscal years 1974, 1975, and 1976 for the administrative expenses of the beautification program; and continues the territorial highway program established in the 1970 Act with authorizations to the territories in the following amounts:

[In millions]

Category	1974	1975	1976
Virgin Islands	1.5	2	2
Guam	1.5	2	2
American Samoa	.5	1	1

Funds authorized for the Federal-aid primary system, the urban system, and other purposes specified in the first six paragraphs of this section could not be used to carry out highway beautification programs under sections 131, 136, and 319(b) of title 23 or safety programs under Chapter 4 of title 23. Those programs are financed under separate authorizations.

Each State which has not completed Federal funding of the Interstate System within its boundaries would receive at least one-half of one percent of the total apportionment for the Interstate System for each of the fiscal years 1974, 1975 and 1976, or an amount equal to the actual cost of completing such funding, whichever amount is less.

Section 106. Definitions.

This section contains a number of changes to the definitions in 23 U.S.C. 101(a). First, it makes a conforming amendment to the definitions of the term "construction" to change the reference to the "Coast and Geodetic Survey" to its current name "National Oceanic and Atmospheric Administration."

The definition of "rural areas" would be changed to mean all areas of a State not included in urbanized areas.

The definition of "urbanized area" would be changed to allow responsible State and local officials, in cooperation with each other, and subject to approval by the Secretary to fix urbanized area boundaries which, as a minimum, are required to encompass the entire urbanized area designated by the Bureau of the Census.

The term "urban area" is amended to require the participation of appropriate local officials in the establishment of the boundaries of an urban area.

Section 107. Federal-aid systems.

This section contains a number of amendments to the provisions of Federal-aid systems contained in 23 U.S.C. 103. It requires the realignment by June 30, 1975, of the Federal-aid primary and secondary systems. The primary system would be redefined to consist of an adequate system of arterial routes in rural areas important to interstate, statewide, or regional travel. The system would be designated by each State subject to the Secretary's approval. The secondary system would consist of major collector routes in rural areas and be designated by each State and appropriate local officials in cooperation with each other, subject to the Secretary's approval. Effective on the date the bill is enacted, the urban system is redefined to consist of arterial and collector routes, and other significant local routes within urbanized areas. They would be designated by appropriate local officials after consulting with the State, subject to the Secretary's approval. Selection of urban routes shall be in accordance with the planning process of 23 U.S.C. 134. It a State does not have an urbanized area, or part thereof, it could designate routes on the urban system for its largest urban area. Funds authorized for the urban system would be eligible for expenditure on any Federal-aid highway route within an urbanized area.

Section 107 would also amend section 103 (e) of title 23 to provide that at any time prior to July 1, 1974, upon the joint request of a State and the local government concerned, the Secretary could withdraw his approval of any controversial Interstate segment if he determines that it is not essential to the completion of a unified and connected Interstate System. However, the Secretary must receive assurances that the State does not intend to construct a toll road in the traffic corridor which the removed segment would have served. After the Secretary withdraws his approval of any controversial Interstate segment within a State, dollar-for-dollar substitution of Interstate mileage based on the 1972 Interstate cost estimate would be permitted for any project on any Federal-aid system within that State, including Interstate substitution and also mass transportation projects authorized by proposed new section 142 of title 23. Any sums made available by this amendment would have to be matched in accordance with the provision of 23 U.S.C. 120 applicable to the particular Federal-aid system involved. This amendment to section 103(e) would provide authority in addition to that authority respecting the transfer of Interstate routes already contained in section 103(e)(2) of title 23.

Section 107 also amends section 103 to require the Secretary on July 1, 1974, to remove Interstate segments from designation as a part of the Interstate System where a State has not established a construction schedule urban system would be eligible for expenditure on any Federal-aid highway route within an urbanized area.

Section 107 would also amend section 103 (e) of title 23 to provide that at any time prior to July 1, 1974, upon the joint request of a State and the local government concerned, the Secretary could withdraw his approval of any controversial Interstate segment if he determines that it is not essential to the completion of a unified and connected Interstate System. However, the Secretary must receive assurances that the State does not intend to construct a toll road in the traffic corridor which the removed segment would have served. After the Secretary withdraws his approval of any controversial Interstate segment within a State, dollar-for-dollar substitution of Interstate mileage based on the 1972 Interstate cost estimate would be permitted for any project on any Federal-aid system within that State, including Interstate substitutions and also mass transportation projects authorized by proposed new section 142 of title 23. Any sums made available by this amendment would have to be matched in accordance with the provision of 23 U.S.C. 120 applicable to the particular Federal-aid system involved. This amendment to section 103(e) would provide authority in addition to that authority respecting the transfer of Interstate routes already contained in section 103(e)(2) of title 23.

Section 107 also amends section 103 to require the Secretary on July 1, 1974, to remove Interstate segments from designation as a part of the Interstate System where a State has not established a construction schedule within the period of availability of funds authorized to be appropriated for completion of the Interstate System and where the Secretary has not received assurances that such schedule will be met. Further, it would require the Secretary to remove any Interstate segment for which plans and specifications have not been submitted for approval by July 1, 1976. No segment removed under these provisions could thereafter be designated as a part of the Interstate System.

Section 108. Apportionment.

This section would amend the Federal-aid primary apportionment formula in section 104(b) of title 23 to substitute the total population outside of urbanized areas for general population. It also amends the formula to reflect the fact that the Postal Service no longer uses star routes; the mileage of rural delivery routes and inter-city mail routes where service is performed by motor vehicles is substituted in lieu of the star routes. Also, the population of the largest urban area in a State not having an ubranized area is excluded from the population totals computed in connection with the primary apportionment formula.

This section also amends the Federal-aid secondary formula to permit States to meet the needs of that system from funds apportioned for the Federal-aid primary system. However, not less than 10 percent nor more than 30 percent of the funds apportioned to a State for the primary system would be available to the State for the secondary system.

The Federal-aid urban formula is amended to provide for the inclusion in the population totals of the largest population center of each State that does not have an urbanized area.

This section repeals subsections (c), (d), and (f) of section 104 respecting the use of apportionments for one Federal-aid system for projects on another system, and adds a new subsection which would make funds available to agencies responsible for carrying out the planning provisions of 23 U.S.C. 134. Each year, the Secretary shall set aside for this purpose not to exceed one-half of one percent of the funds authorized to be appropriated for expenditure on the Federal-aid systems for that fiscal year. The funds would be apportioned to the States according to the formula for the apportionment of Federal-aid urban system funds under 23 U.S.C. 104(b)(6). The distribution of planning funds within a State would be based on a formula developed by each State and approved by the Secretary.

Section 109. Program approval.

This section modifies 23 U.S.C. 105(d) to require that projects on the Federal-aid urban system be selected by appropriate local officials after consultation with the State and in accordance with the 23 U.S.C. 134 planning process. Presently projects must be selected by the appropriate local officials and the State highway department in cooperation with each other. Further, in approving Federal-aid urban system projects

TOPICS and fringe and corridor parking projects (23 U.S.C. 135 and 137) shall be given full consideration in selecting projects on the urban system.

Section 110. Advance acquisition of rights-of-way.

This section amends 23 U.S.C. 108(a) to extend from seven to ten years the allowable time period within which highway construction must begin following the advance purchase of rights-of-way.

Section 111. Signs on project sites.

This amendment to 23 U.S.C. 114(a) would, after July 1, 1973, prohibit any informational signs, other than official traffic control devices, from being erected on any highway projects where actual construction is in progress and where visible to highway users.

Section 112. Certification acceptance.

This section amends section 117 of title 23, United States Code, by broadening its scope to cover all Federal-aid systems except the Interstate System. Upon the request of a State, the Secretary may discharge his responsibilities under title 23 relative to projects by accepting a certification of the capability of the State to perform such responsibilities, if he finds that projects will be carried out in accordance with State laws, regulations, directives and standards establishing requirements at least equivalent to those required under title 23. The Secretary would be required to make a final inspection of such projects upon their completion and require an adequate report of the estimated and actual cost of construction and such other information as he determines necessary. The acceptance of the State's certification by the Secretary could be rescinded by him at any time. The procedure provided by this section is an alternative to that otherwise prescribed in title 23 and the Secretary is required to promulgate such guidelines and regulations as may be necessary to carry out the section. Nothing in the amendment affects or discharges the responsibility or obligation of the Secretary under the National Environmental Policy Act of 1969, section 4(f) of the Department of Transportation Act, title VI of the Civil Rights Act of 1964, title VIII of P.L. 90–284 relating to fair housing, and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

Section 113. Public hearings.

This section amends 23 U.S.C. 128(a) to require that when plans are submitted for a Federal-aid project, assurance be given that all steps have been taken under guidelines issued by the Secretary to foster and ensure public participation in the planning of the project before and after the required public hearings.

Section 114. Ferries.

This section amends 23 U.S.C. 129 to allow ferries financed under title 23 to travel in international waters when operating between the islands which comprise the State of Hawaii and when operating solely between the States of Alaska and Washington. Existing law provides that such ferries shall be operated only within a State or between adjoining States, and that no part of its operation may be in any foreign or international waters.

Section 115. Control of outdoor advertising.

This section would make a number of changes in the provisions on the control of outdoor advertising in 23 U.S.C. 131. The present 660-foot limit on the control of signs along the Interstate and primary systems would be eliminated. After the date of enactment of the bill, the 10 percent penalty provision in section 131 could be imposed on States which do not remove signs beyond 660 feet which are outside of incorporated cities and villages and "visible from the main traveled way".

Unless determined otherwise by the Secretary, signs that are not in conformity with State law would have to be removed no later than five years after they become nonconforming.

The present authority of the Secretary to provide standards for the erection along the Interstate System of signs providing specific information for the traveling public would be expanded to cover other Federal-aid highway systems.

Just compensation would be paid for the removal of all outdoor advertising signs which have been lawfully erected under State law prior to the date of enactment of the bill.

Not to exceed $55,000,000 is authorized to be appropriated from the Highway Trust Fund for each of the fiscal years 1975 and 1976 for purposes of outdoor advertising control.

Section 116. Transportation planning in certain urbanized areas.

This section amends 23 U.S.C. 134, relating to comprehensive planning, to require the Secretary to cooperate with the States in the development of transportation plans and programs which are formulated with due consideration to their probable effect on the future development of urbanized areas. No projects could be approved under section 105 of title 23 in any urbanized area unless the Secretary finds (1) that such projects result from a continuing comprehensive transportation planning and programming process conducted by local governments with consultation and participation by the State, and (2) that all reasonable measures have been taken to permit public participation in the planning and programming process. The assignment of priorities and allocation of funds for urban system projects shall be based on this process. Responsible public officials in an area of a project must be consulted and their views considered with respect to the corridor, location, and design of a project before it may be constructed or implemented in any urbanized area.

Section 117. Urban area traffic operations improvement program.

This section repeals section 23 U.S.C. 135(c) (apportionment of sums for the Urban Area Traffic Operations Improvement Program).

Section 118. Control of junkyards.

This section amends 23 U.S.C. 136(j) to require that just compensation be paid for removing, relocating, or disposing of junkyards lawfully established under State law prior to the date of enactment of the bill. It also authorizes $7 million out of the Highway Trust Fund for each of the fiscal years 1975 and 1976 for junkyard control.

Section 119. Preservation of parklands.

This section amends section 23 U.S.C. 138, regarding parkland preservation, to protect publicly owned water recreation areas and historic water areas of national, State or local significance, as well as pubic lands.

Section 120. Training programs.

This section amends 23 U.S.C. 140(b) to extend authorizations for the highway construction training program for two years through fiscal year 1975. Five million dollars would be provided for each of the fiscal years 1974 and 1975.

Section 121. Public transportation.

This section inserts a new section 142 to title 23 requesting public transportation projects. In order to encourage the development of public mass transportation systems in urbanized areas and to increase the efficiency of the Federal-aid systems, this section would authorize the use of funds apportioned to each State for the Federal-aid urban system to finance the Federal share of the costs of public mass transportation projects, defined to mean ground transportation providing general or special service (excluding school bus, charter, and sightseeing service) to the public on a regular and continuing basis. Included within the scope of the projects are exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus, rail, and other public mass transportation passengers; the construction of fixed rail facilities; and the purchase of passenger equipment, including rolling stock for fixed rail facilities.

To encourage the development of public transportation systems for the transportation of passengers in urban and rural areas, the section also authorizes the use of funds apportioned to each State for the Federal-aid primary and secondary systems to finance the Federal share of the costs of projects for highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers, and for the purchase of passenger equipment other than rolling stock for fixed rail facilities.

Also, funds apportioned to each State for the Interstate System are authorized to finance the Federal share of projects for the construction of exclusive or preferential bus lanes, highway traffic control devices, passenger loading areas and facilities, including shelters, and fringe and transportation corridor parking facilities to serve bus and other public transportation passengers.

Any project authorized by this section would be deemed to be a highway project with the Federal share payable according to the provision of 23 U.S.C. 120 applicable to the Federal-aid system involved.

The Secretary could not approve any public mass transportation projects under this section unless he is satisfied that public mass transportation systems will have adequate capability to utilize fully the proposed project and to maintain and operate properly any equipment acquired.

Buses purchased under this section would have to meet emission standards prescribed by the Environmental Protection Agency under section 202 of the Clean Air Act and, wherever practicable, special criteria for low emission vehicles set forth in section 212 of that Act. The provisions of chapters 1 and 3 of title 23 would apply in carrying out the provisions of this section except where the Secretary determines that the provisions of the Urban Mass Transportation Act of 1964, as amended, are more appropriately applicable.

Section 122. Availability of urban system funds.

This section adds a new section 145 to title 23 respecting the availability of urban system funds for urbanized areas having a population of 400,000 or more. Urban system funds apportioned to any State attributable to these urbanized areas would be allocated among such urbanized areas within the State in the ratio that the population of the State within each such area bears to the population of all such urbanized areas within the State. Such funds would be available for expenditure within such urbanized areas for projects on the urban system including public mass transportation projects authorized by revised section 142. Computations under this provision for a State are to include funds and population attributable to its portion of urbanized areas overlapping State boundaries.

In any case where an agency is created for such an urbanized area for the purpose of planning and carrying out projects on the urban system, funds allocated to the urbanized area under this section would be made available to that agency. The bill does not require such agencies to be formed.

For purposes of this section, an "agency" would be considered to exist for an urbanized area (including those comprised of territory in more than one State) if (1) it was created (A) under State law by the local unit or units of general purpose government within the

urbanized area which represent at least 75 percent of the total urbanized area population, and includes the political subdivision with the largest population in the urbanized area, or (B) by the State or States involved; and (2) it is suitably empowered, equipped, or organized to plan and carry out projects on the urban system. Projects could be implemented through delegation of authority to appropriate agencies at the State, metropolitan, or local level.

Section 123. Bicycle transportation, pedestrian walkways, and equestrian trials.

This section adds a new section 146 to title 23 respecting the development of routes for bicycles, pedestrians, and equestrians. Sums appropriated for the Federal-aid highway systems would be available for the acquisition or construction of such routes located on or in conjunction with highway or other appropriate rights-of-way. Funds could also be used to finance the construction of traffic control devices, shelters, and bicycle parking facilities. Projects authorized under this program would have to be located and designed according to an overall plan providing for safety and for contiguous routes.

Funds authorized and appropriated for forest highways, forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads and public lands highways would also be available for such projects at the discretion of the Department charged with the administration of such programs.

Except for maintenance or emergency purposes, no motorized vehicle would be permitted on trails and walkways authorized under this section.

Section 124. Federal-aid Indian reservation road and bridge system.

This section revises 23 U.S.C. 208 to establish a new Federal-aid highway system. Routes eligible for inclusion on that system would be limited to roads on Indian reservations which are not on any other Federal-aid highway system. The system would be designated jointed by the Secretary of Transportation and the Secretary of the Interior under regulations they would develop jointly. Sums authorized for the new Federal-aid system would be allocated by the Secretary of the Interior in a manner consistent with the exercise of his trust responsibility to the Indians. This section also requires the Secretary of Transportation, in cooperation with the Secretary of the Interior, the States, counties, and the Indian tribal councils to conduct a study and investigation of this new Federal-aid system, including a functional highway classification study and a cost estimate, by July 1, 1974.

Section 125. Public transportation in national forests and parks.

This section amends 23 U.S.C. 204 and 206 to permit funds authorized for forest highways and park roads and trials to be made available for the purchase of buses to provide interpretive and shuttle transportation services in national parks and forests as an alternative to private automobile transportation, and for the construction of passenger loading facilities and parking areas.

Section 126. Research and planning.

This section amends 23 U.S.C. 307(c) to permit the financing of research and planning for transportation programs. As presently drafted, section 307(c) is limited to research and planning for highway programs. Beginning with fiscal year 1974, one and one-half percent of the sums apportioned for each fiscal year to a State under section 104 (b) would be available only for such research and planning.

In addition, not to exceed one-half of one percent of such sums would be available upon the request of a State for such purposes, including demonstration projects in connection therewith.

Section 127. Demonstration project—rail crossings.

This section would eliminate the requirement in 23 U.S.C. 322 for ten per centum participation by the railroads involved in the demonstration projects authorized by that section, and it would increase the authorization of funds for the section. The section contains a provision making the resulting higher Federal share applicable retroactively to all agreements entered into by a State or railroad on or after January 1, 1971, so that contribution already agreed to or made by the individual States and railroads would be eligible for reimbursement with Federal funds.

Section 128. Technical amendments.

Several minor technical amendments are made throughout title 23 to conform language to previous organizational changes and to correct a typographical error.

Section 129. Increased Federal share—Effective date.

This section amends section 108(b) of the Federal-Aid Highway Act of 1970 to increase the Federal share payable on account of any non-Interstate project from 50 percent to 70 percent with respect to all obligations incurred after June 30, 1973, except for projects for which Federal funds were obligated on or before that date.

By Mr. SPARKMAN (for himself, Mr. TOWER, and Mr. WEICKER):

S. 968. A bill to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I am today introducing for myself and Senators TOWER and WEICKER, a bill to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations.

A similar provision was included as an amendment to S. 3248, the Housing and Urban Development Act of 1972 which passed the Senate on March 2, 1972. Unfortunately, action was not completed.

Section 1 of this bill declares the findings of Congress to be that Federal savings and loan associations and national banks need authority to help finance State housing corporations established under State law. The purpose of the bill is to supply the means for private financial institutions to provide housing, particularly for low- and moderate-income families. It would empower Federal savings and loan associations and national banks to purchase stock of and to invest in loans to State housing corporations situated in the same State as the investing institutions.

Section 2 of this bill would amend the Homeowner's Loan Act of 1933 to authorize Federal savings and loan associations to invest in or make loans and loan commitments to State-chartered housing corporations on conditions similar to their present authority to perform these functions with reference to State-chartered business development credit corporations. An example of the type of State housing corporation that could benefit from the provisions of this amendment is one contemplated under a legislative proposal passed by the Florida Legislature. Aimed at producing housing for primarily low- and moderate-income families, the initial capital would be supplied by stock purchases by financial institutions in the State.

Under this amendment only Federal savings and loan associations having general reserves, surplus and undivided profits in excess of 5 percent of their savings accounts would be permitted to make use of this investment and loan authority. The limit on their stock investments in all such corporations would be one-fourth of 1 percent of their assets. The limit on their uninsured loan investment—including commitments—in all such corporations would be 1 percent of their loans.

Section 3 of this bill would amend section 24 of the National Bank Act—Revised Statutes, section 5136—to authorize any national bank to purchase for its own account stock issued by State housing corporations incorporated in the State where the national bank is located and to invest in loans or commitments for loans to such corporations, in an aggregate amount at any one time not exceeding 5 percent of the bank's capital stock actually paid in and unimpaired, plus 5 percent of the bank's unimpaired surplus fund.

An example of the type of State housing corporation that could benefit from the provisions of this section is one being formed under legislation recently passed by the Florida Legislature. The purpose of that corporation is to provide capital to be furnished by commercial banks, savings and loan associations, and insurance companies in the State of Florida.

This section is patterned after section 911 of the HUD Act of 1968, which authorizes national banks to purchase for their own account shares of stock issued by the National Corporation for Housing Partnerships and to invest in any partnership, limited partnership, or joint venture formed with the corporation under applicable State or local law for the purpose of engaging in low- and moderate-income housing developments.

The importance of this section would be to provide additional means of providing housing for low- and middle-income families in a particular State by use of private capital supplied by financial institutions in that State.

Mr. President, we are all aware of the tremendous need in our Nation for housing for low- and moderate-income families. We are also mindful that the primary holdup to providing decent housing for these families is basically a matter of providing an adequate supply of financing. These amendments would provide one more tool for tackling the problems of additional financing for adequate housing for our people of low and moderate incomes by pooling the vast resources of private financial institutions. The President's recently imposed moratorium on funds for housing subsidy programs for low- and moderate-income families is based on the theory that these programs are inadequate and too costly to the Government. Alternate means are available, he says, to lower the economic impact of these programs. I believe this proposal is one method of

financing which, if used, will decrease the need for direct expenditures for housing purposes by the Government.

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

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

S. 968

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

FINDINGS AND PURPOSE

SECTION. 1. The Congress finds that Federal savings and loan associations and national banks should have the authority to assist in financing the organization and operation of any State housing corporation established under the laws of the State in which the corporation will carry on its operations. It is the purpose of this Act to provide a means whereby private financial institutions can assist in providing housing, particularly for families of low or moderate income, by purchasing stock of and investing in loans to any such State housing corporation situated in the particular State in which the Federal savings and loan association or national bank involved is located.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

SEC. 2. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provisions of this subsection, any such association whose general reserves, surplus and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, to lend to, or to commit itself to lend to any State housing corporation incorporated in the State in which the head office of such association is situated, in the same manner and to the same extent as the statutes of such State authorize a savings and loan association organized under the laws of such State to invest in, to lend to, or commit itself to lend to such State housing corporation, but the aggregate amount of such investments, other than loans and loan commitments, of any such association outstanding at any time shall not exceed one-fourth of 1 per centum of the total assets of such association, and uninsured loans and commitments of any such association outstanding at any time shall not exceed 1 per centum of the total outstanding loans made or purchased by such association."

NATIONAL BANKS

SEC. 3. Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this paragraph, the association may purchase for its own account shares of stock issued by any State housing corporation incorporated in the State in which the association is located and may make investments in loans and commitments for loans to any such corporation: *Provided*, That in no event shall the total amount of such stock held for its own account and such investments in loans and commitments made by the association exceed at any time 5 per centum of its capital stock actually paid in and unimpaired plus 5 per centum of its unimpaired surplus fund."

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

S. 969. A bill relating to the constitutional rights of Indians. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, for myself and for the senior Senator from North Carolina (Mr. ERVIN), I send to the desk a bill relating to the constitutional rights of Indians. This bill would amend section 1341 of title 25, United States Code, to authorize the appropriation of funds for the printing of several items relating to the constitutional rights of American Indians. Section 1341, part of the Civil Rights Act of 1968, authorized and directed the Secretary of the Interior to revise and update a document entitled "Indian Affairs, Laws, and Treaties" and to have the revised document printed at the Government Printing Office; to revise and republish the treaties entitled "Federal Indian Law"; to have prepared a compilation of official opinions of the Solicitor of the Department of the Interior concerning Indian affairs and to have this compilation printed as a Government publication at the Government Printing Office.

Section 1341 contained an authorization for appropriation of necessary sums "with respect to the preparation, but not including printing" of these three items. The bill I submit now would authorize the printing of these items.

After several years of work and operating under congressional appropriation of about $100,000, the Solicitor's office of the Department of the Interior is now nearing completion of the preparation for printing of "Indian Affairs, Laws, and Treaties." There will be a total of seven volumes, including two entirely new ones. These are, for all intents and purposes, ready to go to the printer. The compilation of Solicitor's opinions also is about ready to go to the printer. I am convinced that the printing of these items would be of great benefit to Indians.

Furthermore, work on the revision of the treaties, "Federal Indian Law," has begun. The 1968 Civil Rights Act also authorized and directed the Secretary of Interior to recommend to the Congress a model code governing the administration of justice by courts on Indian reservations. With regard to both of these items, drafts will be prepared and circulated among Indians and other interested parties for comment and advice during the coming fiscal year. This printing also would be authorized by the change in the 1968 act which this bill would effectuate.

The Department of Interior estimates that the total cost of printing all of this material will be about $310,000 for fiscal 1974. This amount is included in the Department's fiscal 1974 budget. The Department of the Interior supports this legislation. The Department of Justice has no objection to enactment of this legislation and the Office of Management of Budget has advised that there is no objection from the standpoint of the administration's program.

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. 969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 701 of title VII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968, is amended to read as follows:

"(c) There is authorized to be appropriated for carrying out the provisions of this title such sum as may be necessary.".

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 970. A bill to deal with the current energy crisis and the serious shortages of petroleum products facing the Nation and to authorize construction of the trans-Alaska pipeline. Referred to the Committee on Interior and Insular Affairs.

THE TRANS-ALASKA PIPELINE AUTHORIZATION ACT OF 1973

Mr. STEVENS. Mr. President, today I am introducing a bill on behalf of myself and my colleague from Alaska (Mr. GRAVEL) that will permit the construction of the trans-Alaska pipeline. This extremely important project for the Nation will require congressional authorization if it is to be started this year.

Unfortunately, the project has been mired in litigation for several years. The project has been pending before the executive branch since 1969. Over $400 million has been expended on it thus far. The environmental impact statement alone has cost the American taxpayers $10 million.

The adverse ruling by the U.S. Court of Appeals for the District of Columbia Circuit on Friday, February 9, will have disastrous effects on the project unless Congress acts now. Because that decision was based on the narrowest technical grounds of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C. 185), the earliest a final decision could be reached by the courts is probably over a year away. And that is over a year after Congress acts to satisfy the technical portion of the decision. Additionally, construction on the pipeline will take 3 years. If construction is begun this year, the cost will be approximately $3 billion. The annual rise in cost will be $200 to $300 million per year for each year the project is delayed.

These costs, as most such costs, must unfortunately be borne by consumers across the country. The demand for energy is projected to increase nationwide twofold by 1985. Consumers in many States are already feeling the pinch. Several States have already experienced serious fuel oil shortages. State governments across the country have called on Congress to solve the crisis.

Our bill will do that. Section 3 of the Trans-Alaska Pipeline Authorization Act of 1973, which we are introducing, will authorize the construction of the pipeline and all related facilities. It declares all permit applications and related documents to be in accordance with applicable Federal laws. It further authorizes and directs the Secretary of the Interior to issue all the necessary documents and grant the necessary real property interests for the pipeline and related facilities.

Section 4 of the bill declares that the environmental impact statement is in accord with the National Environmental Policy Act of 1969.

Section 5 declares that any Federal administrative decision on actions under this legislation shall not be subject to judicial review. The Federal courts

would be divested of jurisdiction over the trans-Alaska pipeline.

Mr. President, the critical shortage of petroleum today, coupled with the uncertainty of foreign supplies, and the fact that other power sources, such as nuclear power and oil shale are possibilities only in the distant future, make congressional approval of the pipeline an immediate necessity. I intend to urge congressional enactment of this bill as quickly as possible.

Mr. President, we realize full well that this is a bill which goes to the extreme. It goes to the extreme to meet an extreme necessity—one that will bring to the United States domestic oil for domestic markets, and eliminate the problem of the continual deficit in our balance of payments caused by purchasing ever-increasing amounts of foreign oil.

I ask unanimous consent that 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. 970

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 "Trans-Alaskan Pipeline Authorization Act of 1973."

SEC. 2. The Congress hereby finds that:

(a) The United States is currently experiencing a critical shortage of petroleum supplies;

(b) This shortage has resulted in the closure of schools and factories, created unemployment in many regions of the country, and disrupted truck, rail, and air transportation systems;

(c) reliance upon imported oil products to fill the growing gap between domestic supply and increasing demand is not in the best interests of the United States and is creating a serious national security problem and a critical imbalance in the Nation's balance of payments;

(d) the action of Canada in restricting crude oil imports into the United States and the announced policy of other exporting nations to limit oil production makes clear that the United States must take immediate action to increase domestic petroleum sources and provide the necessary transportation systems to bring domestic oil to the American consumer.

SEC. 3. Notwithstanding any other provision of law, the trans-Alaska pipeline (as set forth in the right-of-way permit application or applications submitted to the Secretary of the Interior by Alyeska Pipeline Corporation and all related documents) is hereby authorized, and such permit application and related documents are deemed to be in accordance with applicable federal law. The Secretary of the Interior is authorized and directed to issue, in accordance with such permit application or applications, a right-of-way permit granting such easements, rights, and interests as are necessary for the construction of the trans-Alaska pipeline.

SEC. 4. The Congress finds and declares that the statement prepared by the Secretary of the Interior pursuant to Section 102(2)(C) of the National Environmental Policy Act of 1969 with respect to the granting of a permit for the trans-Alaska pipeline meets the requirements of such Act.

SEC. 5. Any finding, determination, or decision of the Secretary of the Interior, or any other Federal official of any agency, with respect to the legal authority to permit the construction of the trans-Alaska pipeline, shall be final and shall not be subject to review in any court of the United States.

SEC. 6. The Secretary of the Interior is authorized to issue such regulations as he may determine necessary to enable him to carry out the provisions of this Act.

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

S.J. Res. 67. Joint resolution to provide for the striking of medals in commemoration of Jim Thorpe. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. BARTLETT. Mr. President, today I have introduced a joint resolution to authorize the U.S. Mint to strike medals in commemoration of the outstanding achievements of Jim Thorpe—the world's greatest athlete.

Jim Thorpe is a legend not only in Oklahoma, his birthplace, or in America, his homeland, but throughout the world. His prowess in baseball, football, track, and field go unsurpassed today.

The Jim Thorpe Memorial Athletic Hall of Fame Commission annually presents an award to the outstanding young athlete in Oklahoma. The sale of the medals authorized by this bill will enable this commission to make the award nationally and aid in the construction of a permanent Jim Thorpe museum. The commission will fully reimburse the Government for any cost in striking the medals.

I ask unanimous consent that the joint resolution be printed in full in the RECORD.

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

S.J. RES. 67

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the outstanding achievements of Jim Thorpe as an athlete and as a great American the Secretary of the Treasury is authorized and directed to strike and furnish to the Jim Thorpe Memorial—Oklahoma Athletic Hall of Fame Commission not more than one hundred thousand medals with suitable emblems, devices, and inscriptions to be determined by the Secretary after consultation with the Commission. The medals, which may be disposed of by the Commission at a premium, shall be delivered at such times as may be required by the Commission in quantities of not less two thousand. The medals are national medals within the meaning of Section 3551 of the Revised Status (31 U.S.C. 368).

SEC. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such costs.

SEC. 3. The medals authorized to be struck and delivered under this Act shall be of such size or sizes and of such various metals as shall be determined by the Secretary of the Treasury in consultation with the Commission.

SEC. 4. No medals shall be made under the authority of this Act after December 31, 1974.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 7

At the request of Mr. RANDOLPH, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 7, a bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

S. 39

At the request of Mr. CANNON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 39, to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes.

S. 198

At the request of Mr. HANSEN, the Senator from Alaska (Mr. STEVENS), the Senator from Arizona (Mr. FANNIN), the Senator from Utah (Mr. BENNETT), the Senator from Utah (Mr. Moss), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 198, to amend the Internal Revenue Code to encourage an increase in the production of coal.

S. 199

At the request of Mr. HANSEN, the Senator from Alaska (Mr. STEVENS), the Senator from Arizona (Mr. FANNIN), the Senator from Utah (Mr. BENNETT), the Senator from Utah (Mr. Moss), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 199, to amend the Internal Revenue Code to encourage the development and utilization of methods and devices to convert coal and oil shale to low pollutant synthetic fuels by allowing rapid amortization of expenditures incurred in construction facilities for such purposes.

S. 316

At the request of Mr. JACKSON, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 316, a bill to further the purposes of the Wilderness Act of 1964 by designating certain lands for inclusion in the national wilderness preservation system, and for other purposes.

S. 394

At the request of Mr. HUMPHREY, the Senator from Missouri (Mr. SYMINGTON) was added as a cosponsor of S. 394, to amend the Rural Electrification Act to reaffirm that such funds be made available for each fiscal year to carry out the programs provided for in such acts be fully obligated in said year, and for other purposes.

S. 416

At the request of Mr. ALLEN, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of S. 416, the Equal Educational Opportunities Act of 1973.

S. 418

At the request of Mr. BELLMON, the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), and the Senator from Arkansas (Mr. FULBRIGHT) were added as cosponsors of S. 418, to amend the Consolidated Farm and Rural Development Act of 1972.

S. 499

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 499, to amend the National Labor Relations Act to guarantee the right of em-

ployers to an election without requiring proof of lack of majority.

S. 500

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 500, to amend the National Labor Relations Act to achieve reform of the provisions against recognition picketing, and for other purposes.

S. 501

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 501, to amend the National Labor Relations Act with respect to election of representatives.

S. 608

At the request of Mr. KENNEDY, the Senator from Idaho (Mr. CHURCH), and the Senator from Delaware (Mr. BIDEN), were added as cosponsors of S. 608, a bill to provide certain retirement and pay allowances to members of the Armed Forces and Federal employees who were in a missing status for any period during the Vietnam conflict.

S. 619

At the request of Mr. ALLEN, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of S. 619, the Uniform Criteria Act of 1973.

S. 653

At the request of Mr. BELLMON, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 653, to insure the separation of powers by prohibiting the impoundment of funds from the Highway Trust Fund.

S. 710

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 710, to prohibit fines for crossing unlawful picket lines.

S. 711

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 711, to amend the National Labor Relations Act with respect to election of representatives.

S. 712

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 712, to amend the national emergency provisions of the Labor-Management Relations Act, 1947, so as to provide for dissolution of injunctions thereunder only upon settlement of disputes.

S. 713

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 713, to provide for strike ballots in certain cases.

S. 783

At the request of Mr. CHILES, the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. MANSFIELD), the Senator from Illinois (Mr. STEVENSON), the Senator from Oregon (Mr. PACKWOOD), the Senator from Utah (Mr. MOSS), the Senator from New York (Mr. JAVITS), and the Senator from Wyoming (Mr. McGEE) were added as cosponsors of S. 783, to establish the Everglades-Big Cypress National Recreation Area in the State of Florida.

S. 798

At the request of Mr. BURDICK, the Senator from Indiana (Mr. BAYH) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 798, a bill to reduce recidivism by providing community-centered programs of supervision and services for persons charged with offenses against the United States, and for other purposes.

S. 800

At the request of Mr. HUMPHREY, he was added as a cosponsor of S. 800, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the compensation of innocent victims of violent crime in financial stress; to make grants to the States for the payment of such compensation; to authorize an insurance program and death benefits to dependent survivors of public safety officers; to strengthen the civil remedies available to victims of racketeering activity and theft; and for other purposes.

S. 835

At the request of Mr. HUMPHREY, the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 835 a bill entitled "Full Social Security Benefit Act of 1973."

S.J. RES. 13

At the request of Mr. HARRY F. BYRD, JR., the name of the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of Senate Joint Resolution 13, proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 8 years.

S.J. RES. 27

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. ERVIN) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Joint Resolution 27, proposing an amendment to the Constitution of the United States to provide that, in except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year.

S.J. RES. 28

At the request of Mr. ALLEN, the Senator from Nevada (Mr. BIBLE) and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Joint Resolution 28, proposing an amendment to the Constitution to prohibit the assignment of children to public schools on the basis of race, creed, or color.

S.J. RES. 54

At the request of Mr. HATFIELD, the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Illinois (Mr. STEVENSON), the Senator from California (Mr. CRANSTON), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Joint Resolution 54.

SENATE RESOLUTION 68—SUBMISSION OF A RESOLUTION RELATING TO ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA

(Referred to the Committee on Foreign Relations.)

Mr. KENNEDY. Mr. President, I send to the desk for appropriate reference a Senate Resolution calling for the prompt establishment of full diplomatic relations between the United States and the People's Republic of China.

At this time of so much hopeful progress in official and private contacts and discussions between our two Governments, on the eve of the anticipated announcement of Dr. Kissinger's progress report on the results of his most recent visit to Peking, it is especially appropriate for the Senate and the Congress to go on record as favoring the largest possible forward step in American policy toward China while the opportunity is so ripe—the establishment of full diplomatic relations between our two nations, allowing the exchange of ambassadors to take place immediately.

To me, a policy of the sort that is widely rumored to be in the wind at this time—the formation of a semi-official U.S. trade mission in China, or even the establishment of relations at the consular level—would be too little and too slow.

Perhaps, it will be argued, since progress is so clearly taking place in the ongoing relations between our two Nations, it is enough for now to be content with lesser official arrangements, on the view that they will blossom over time into full diplomatic relations. But I do not think we can afford to take that gamble. The time to establish full diplomatic relations is now, when we have at hand the right atmosphere and conditions to take this giant step.

No one can predict the events and developments in Asia and the world that may arise in coming months and years to disrupt the optimistic atmosphere that exists today between Peking and Washington. Now that the Vietnam war is clearly over, at least for the United States, the current rapid withdrawal of America's presence from Vietnam is removing what China has always seen as a serious threat to her own security and a serious intrusion by the United States into the affairs of Asia.

The current rumors that America will be winding down its military presence on Taiwan in conjunction with the Vietnam withdrawal is another real and immensely symbolic step toward peaceful relations with China. In many other ways, the growing accord at the present time between China and the United States indicates that the time is ripe for the establishment of full diplomatic relations. The rumored expected release of two American fliers whose planes strayed over China during the Vietnam war; the candid recent statement by President Nixon admitting that another American, imprisoned in China since 1950, was actually a CIA agent caught during the Korean war, and not the innocent

civilian official we have pretended he was for two decades; the mushrooming trade contacts with China and visits by private citizens to China—all these developments demonstrate that we now have the best opportunity we have ever had to send an American Ambassador to Peking. The opportunity should not pass, and President Nixon, known above all for his bold steps in foreign policy, should not let it pass.

Why, then, do we hang back, and thereby jeopardize this golden opportunity? The answer is Taiwan. The problem, of course, centers upon the future of the government of Chiang Kai-shek and the island he controls. Today, more than 20 years after he left the mainland, the Chiang government still claims to be the government of mainland China. That claim is patently a fiction. The time is long overdue for the United States to accept the reality that Peking is here to stay, that it is a genuinely Chinese government and not a Soviet satellite, and that it, and it alone, controls the 800 million people of mainland China.

Yet, since 1950, the United States has always called the Chiang Kai-shek government on Taiwan the government of China for diplomatic purposes. We have pursued a one China policy—but always it was the wrong China. Now, at last, when we are within reach of our goal of fully embracing a one China policy that has the right China, we cannot allow ourselves to be lured astray by the foolish fiction or the siren call that Taiwan is really the government of China.

To me, the administration has it backward. We ought to have an Ambassador in Peking and be talking about possible lower level official contracts on Taiwan, instead of keeping an Ambassador to a fictitious China in Taiwan and talking about lower level contacts in Peking.

Instead of allowing the dilemma over Taiwan to bar relations with Peking, we should take a more imaginative approach, an approach that gives ample protection to the legitimate interests of the people of Taiwan, yet allows us to establish full relations with Peking. In this way, we can carry out the true spirit of President Nixon's pledge last year, that our action in seeking a new relationship with the People's Republic of China will not be at the expense of our old friends.

The resolution I am introducing today will achieve that purpose. It contains two principal provisions:

First, it calls on our Government to take immediate steps to establish full diplomatic relations with Peking.

Second, as the basis for negotiating such relations, the resolution calls on our Government to adopt four basic principles:

First. We should accept the Government of the People's Republic of China as the sole legitimate government of China.

Second. We should reaffirm the commitments contained in the Cairo Declaration of 1943 and the Potsdam Proclamation of 1945 that the island of Taiwan shall be restored to China.

Third. We should reaffirm the interest of the United States in the peaceful reunification of Taiwan with mainland China.

Fourth. And, we should make a unilateral guarantee of the security of the people on Taiwan until peaceful reunification has been achieved. In this way, we will be able to carry out our defense commitment to the people of Taiwan, even though our specific Mutual Defense Treaty of 1954 with Taiwan as the Republic of China would necessarily lapse, when U.S. relations are established with Peking as the government of China.

Necessarily, of course, the establishment of diplomatic relations with Peking will involve the end of diplomatic relations between the United States and Taiwan. We cannot maintain the fiction of a Two China policy in our own relations with the Chinese people, any more than we could foist such a Two China policy on the United Nations in 1971.

For too long, we have allowed our policy toward Taiwan to be dictated by ephemeral and shadowy symbols, rather than by the reality of conditions in the world. Taiwan will not collapse because our American Ambassador says farewell, any more than Taiwan collapsed because Peking was admitted to the United Nations. No, Taiwan is too strong, especially in the economic area, to be affected by the end of American diplomatic relations. The reality of American policy toward Taiwan is guided now, as it should be for the future, by the fixed star of America's firm commitment to prevent a forcible takeover of Taiwan against the wishes of her people. That is all our policy has to be, and that is all it ought to be.

I wish the facts were otherwise. In our optimism, we always hope that a reasonable solution can be found for every problem, an accommodation for every antagonism. It would be a happy occasion if, by hard work and good will, we could persuade the parties to a civil war that has been raging in one form or another in China for half a century to harmonize their differences.

Yet, our policy cannot be based on wishes and hopes. It must cope with reality. We cannot be naive enough to expect that the complex problems arising from the Chinese Civil War, World War II, the Korean war, and the Vietnam war can all be solved at once, or that America can ever hope to dictate the terms of an accommodation between Peking and Taiwan. The question of the status of Taiwan will take years to clarify. We cannot predict what the future holds in store, but we know that Washington does not have the answer. In the meantime, let us take the steps we can.

One more point should be made. We know that other nations are lining up to establish relations with Peking. Long after the American ping pong visit and Dr. Kissinger's dramatic trip in 1971 broke the ice for many of our allies, Japan began to move toward the establishment of diplomatic relations, and a Japanese Ambassador is now about to arrive in Peking. Other nations have also taken that dramatic step, including many of our closest friends among the democracies of the Western World. Why should America go slow, while other nations pass us by?

Mr. President, I ask unanimous consent that the text of the resolution may be printed at this point in the RECORD.

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

SENATE RESOLUTION 68

Resolved, That the Senate declares:

1. That the United States should take immediate steps to establish full diplomatic relations with the People's Republic of China;

2. That, as the basis for negotiations to establish such diplomatic relations, the United States should make clear it is prepared:

(a) to recognize the Government of the People's Republic of China as the sole legitimate government of China;

(b) to reaffirm the commitment contained in the Cairo Declaration of 1943 and the Potsdam Proclamation of 1945 that Taiwan shall be restored to China;

(c) to reaffirm the interest of the United States in a peaceful reunification of Taiwan with mainland China; and

(d) to maintain a unilateral guarantee of the security of the people of Taiwan until peaceful reunification has been achieved by the Chinese people themselves.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. EASTLAND, the Senator from Virginia (Mr. SCOTT) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of Senate Congressional Resolution 11, relating to the U.S. fishing industry.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 22

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Resolution 22, a resolution to establish a new Senate rule governing opening meetings of committees and subcommittees.

SENATE RESOLUTION 67

Mr. KENNEDY. Mr. President, I ask unanimous consent that the distinguished Senator from Utah (Mr. Moss) be considered as an original cosponsor of Senate Resolution 67, calling on the President to promote negotiations for a comprehensive test ban treaty. He had indicated his desire to be so listed prior to the original submission of this resolution and was incorrectly left off the list of cosponsors.

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

RATES AND CHARGES OF THE NATURAL GAS ACT—AMENDMENT

AMENDMENT NO. 18

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. HANSEN. Mr. President, on behalf of the Senator from Texas (Mr. TOWER), I submit a technical amendment to S. 371, a bill which the Senator

from Texas introduced with cosponsors on January 16, 1973.

The following cosponsors of S. 371, being all of the present cosponsors, have agreed to the amendment:

Mr. BARTLETT, Mr. BELLMON, Mr. DOMENICI, Mr. FANNIN, Mr. HANSEN, Mr. STEVENS, Mr. DOLE, Mr. BENNETT, and Mr. GRAVEL.

I ask unanimous consent that the amendment be printed in the CONGRESSIONAL RECORD at this point.

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

AMENDMENT NO. 18

On page 3, lines 8 and 9, delete the following: " . . . if such person is not engaged in (or affiliated with any person engaged in) . . ." and add the following: "whether or not such person is affiliated with any person engaged in".

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 6

At the request of Mr. SCHWEIKER, the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Nevada (Mr. BIBLE), the Senator from Arizona (Mr. FANNIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. METCALF), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of amendment No. 6 intended to be proposed to the bill (S. 800), the Victims of Crime Act of 1973.

NOTICE OF HEARINGS ON OMNIBUS DISTRICT COURT JUDGESHIPS

Mr. BURDICK. Mr. President, I wish to announce that a continuation of open public hearings have been scheduled before the Subcommittee on Improvements in Judicial Machinery relating to the recommendations made by the Judicial Conference of the United States (S. 597) that an additional 51 judgeships be created in selected judicial districts in the United States.

The hearings will be held in room 2228, Dirksen Office Building, commencing at 10 a.m. on February 27 and 28, 1973.

On February 27, testimony will be received from the chief judges of the Eastern District of Texas, Northern District of Oklahoma and the Eastern District of Tennessee.

On February 28, testimony will be received from the chief judges of the Northern and Southern Districts of Indiana and New Jersey.

Communications relative to these hearings should be directed to the subcommittee staff, 6306 Dirksen Office Building, extension 5-3618.

NOTICE OF HEARING ON A NOMINATION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing by the full committee has been scheduled for Wednesday, February 28, 1973, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Louis Patrick Gray III, of Connecticut, to be Director, Federal Bureau of Investigation.

Notice is hereby given to all persons requesting to testify on this nomination to file with the committee, in writing, on or before Tuesday, February 27, 1973, any representations or objections they may wish to present.

ANNOUNCEMENT OF HEARINGS ON ISSUES RAISED BY THE OPERATIONS OF MULTINATIONAL CORPORATIONS

Mr. RIBICOFF. Mr. President, I would like to announce that the Subcommittee on International Trade of the Senate Finance Committee will hold hearings on the issues raised by the operations of multinational corporations beginning Monday, February 26, 1973.

The schedule of witnesses is as follows:

SCHEDULE OF WITNESSES

Monday, February 26, Peter M. Flanigan, Executive Director, Council on International Economic Policy and Special Assistant to the President.

Donald M. Kendall, Chairman of the Board of Pepsi Co. Inc., and Chairman, Emergency Committee for Foreign Trade.

Tuesday, February 27, Thomas A. Murphy, Vice Chairman of the Board, General Motors Corporation.

Wednesday, February 28, Frederick Dent, Secretary of Commerce.

Sam Pissar, International lawyer and author.

Thursday, March 1, Gilbert E. Jones, Chairman of the Board, IBM World Trade Corporation.

Leonard Woodcock, President, United Auto Workers Union of America.

Tuesday, March 6, George Meany, President, AFL-CIO.

Perry Wilson, Chairman of the Board, Union Carbide Corporation.

Mr. RIBICOFF. Mr. President, the United States international economic position is undergoing profound change—the devaluation of the dollar, our almost $7 billion past year trade deficit, and our continuing high rate of unemployment demonstrate that new approaches are needed to deal with this new situation.

Of special interest is the emergence of the multinational corporation as a major factor in international production and trade. The production of these companies already accounts for about one-sixth of the gross world product and is growing at a faster rate than total world production.

The multinational firms' unique ability to combine capital, technology, and management from one country, with labor and raw materials from others, has truly internationalized the production process. But grave doubts have been voiced over the nature of these operations and the vast power at the command of these firms. Proponents of the multinational corporation argue that these firms create jobs, expand exports and markets, and help our balance of payments while contributing to the economic development of host countries.

Critics maintain that the operations of the multinational companies pose a threat to the American standard of living, jobs and the industrial base of the United States by transferring technology and production overseas. They point out that capital, management and technology are internationally mobile, while labor clearly is not. They argue that the deterioration of the U.S. position in world trade and our current high rate of unemployment is due, in large measure, to the operation of our multinational firms.

To better understand this matter and what measures should be taken to deal with it, the subcommittee will be seeking answers to the following questions during the hearings:

First. What can be done to improve the competitive position of U.S. industry in world markets and to create additional employment in the United States, and what contributions can multinational companies make to this end?

Two. To what extent do foreign trade barriers and the actions of foreign governments encourage the shift of American productive facilities and technology to other countries, and how should these problems be treated?

Third. What will be the competitive position of our basic manufacturing industries 10 or 20 years from now if our present tax, trade, and antitrust laws continue to be essentially unchanged? What policies should the United States adopt to ease the effects of economic dislocations while seeking improvements in our competitive position in world trade?

Four. Are there realistic alternatives to the solutions embodied in the Hartke-Burke legislation?

NOTICE OF HEARING ON CERTAIN NOMINATIONS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, February 28, 1973, at 10:30 a.m., in room 2228 Dirksen Office Building, on the following nominations:

Herbert A. Fogel, of Pennsylvania, to by U.S. district judge, Eastern District of Pennsylvania, vice Ralph C. Body, retired.

Joseph F. Weis, Jr., of Pennsylvania, to be U.S. circuit judge, Third Circuit, vice Abraham L. Freedman, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF HEARING ON A NOMINATION

Mr. TALMADGE. Mr. President, the Committee on Agriculture and Forestry has scheduled a hearing March 6 on the nomination of Robert W. Long, of California, to be an Assistant Secretary of Agriculture in charge of conservation, research, and education. The hearing will be in room 324 Russell Office Building, beginning at 10 a.m. Anyone wishing

to testify should contact the committee clerk as soon as possible.

ADDITIONAL STATEMENTS

THE BUDGET—ADDRESS BY SENATOR HUMPHREY TO WOMEN'S NATIONAL DEMOCRATIC CLUB

Mr. HUMPHREY. Mr. President, on February 15, I spoke to the Women's National Democratic Club, regarding the President's 1974 budget proposal. As I note in my remarks, the more I analyze this budget, the more I find in the way of deception, disengagement, and abandonment of the idea that the purpose of government is to lead the Nation in finding solutions to our problems.

Mr. President, I ask unanimous consent that these remarks be printed in the RECORD.

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

REMARKS OF SENATOR HUMPHREY TO WOMEN'S NATIONAL DEMOCRATIC CLUB, ON THE PRESIDENT'S BUDGET

My fellow Democrats, we are hearing a lot these days about the conflict between the President and the Congress. Today, I want to talk about a chief cause of that conflict—unilateral assertion of Presidential will and power, without consultation with the Congress.

Nowhere is such an unconsitutional assertion of Presidential will more evident than in the President's 1974 budget proposal, in which he cuts back and cuts out dozens of programs without asking consent of the Congress.

The more I look at this budget, the more I am convinced that it represents a policy of irresponsibility, deception and disengagement by the Federal government from the critical problems of urban decay and rural poverty.

This policy of disengagement is wrapped, of course, in the rhetorical sheep's clothing of decentralization and local self-determination.

But underneath this jargon is the most cogent expression of Republican do-nothingism that we have seen in recent years. One would not expect to see such an elaborate ideology hidden between the covers of such a tedious document as the budget. But there it is:

Endless rhetoric about spending reform, and none about tax reform.

Endless talk about Congressional overspending—and "a father-knows-best" demand for a budget ceiling of exactly $268.7 billion. (No more, no less, now don't ask any questions, junior.) But no mention of the fact that Congress has consistently reduced President Nixon's budgets.

Lots of talk about federal programs not working, but no data on how effective or ineffective programs actually are.

Lots of talk about self-reliance—but a wholesale dismantling of programs designed to help people become self-reliant—in job training, education, health.

Lots of double talk about increasing funds when programs are actually being phased out, and saving funds when nothing was saved. Look at some of these deceptions in the budget:

Mental health. The administration says it is doubling the funds for Mental Health. And, if you look at the dollar amounts, they are: $604,500,000 for 1973 and $1.2 billion for 1974. What we aren't told is that the President is phasing out Community Mental Health Centers and that all the money for the eight-year phase-out is included in this year's budget. $472 million dollars is supposed to last for eight years. That's deceptive budgeting.

Social services. The administration claims it is saving $2.7 billion from not spending social service money. But Congress enacted that ceiling last year. The extra money Nixon claims he is saving simply does not exist. It is a State "wish list": Never programmed, never allocated.

Pollution control. President Nixon claims he is putting more money into pollution control. But in fact what he is really doing is paying States back for the money they put into pollution control—water and sewer grants. There are no new water and sewer construction grants in this budget.

Human resources. The administration claims it is putting 47% of the new budget into Human Resources. But what they don't tell you is that Social Security trust funds are figured into that 47%.

So if you take out the Social Security trust funds, the actual amount devoted to human as well as housing, pollution and transportation is less than 25%.

Underneath all this talk, all this deception, what's going on is as simple as ABC—or IT&T.

The President is doing his level best to protect the interests of corporate business and the affluent, and is asking the broad spectrum of Americans who are not so fortunate to pay the price of that protection.

What makes this strategy so dangerous is that the President knows that the number of Americans who need help is no longer an absolute majority.

Add up the disabled, the elderly, the unemployed, the rural poor, low-income students, welfare recipients, and the mentally ill.

You get a huge number of people who cannot become self-reliant without some assistance.

You get millions of people. But the President knows that you do not get a political majority.

His interest is in developing this kind of majority for the long-term health of the Republican party.

The President's budget program divides this country into the haves and the have-nots with a vengeance.

But he will not succeed.

He will not succeed, because the American taxpayer knows that the problems that the President is throwing back at State and local governments will cost money to solve.

The taxpayer knows that sales and property taxes will have to go up, as a result of the President's decision to disengage from our national domestic problems.

The taxpayer knows, that some corporations and a privileged few are getting away with tax murder.

Look at the facts:

Only 16 percent of federal revenues comes from corporations today, compared to 30 percent two decades ago.

The government collects twice as much from regressive payroll taxes. And it collects three times as much from personal income taxes as it does from corporations.

Every reasonable person knows we need tax reform. But it's not mentioned once in the budget message.

The President couldn't care less about the inequities of these tax breaks to business—he couldn't care less about the tens of billions of revenue dollars lost in his own recession. Because he firmly believes that more revenues would mean more government, and to him more government is bad.

The President's 1974 budget is Republican vintage, brought to us in a shiny new bottle—packaged by the White House's Madison Avenue staff. Take off the shiny 1974 wrappings, and what's new?

Republican leaders, and in particular, President Nixon, have a long history of opposition to federal aid to education, to Medicare, to low and moderate income housing, to programs that help the poor to get out of poverty, to tax justice for all Americans.

President Nixon apparently believes that the American public can buy solutions to our public problems in the private marketplaces.

He does not seem to understand that our urgent human and community problems require the vigorous and concerted action of government at all levels, in partnership with the private sector.

He does not seem to understand the meaning of national priorities. He talks about human resources, but as an abstraction, as a budget item.

He lumps in Social Security trust funds with funds for education, health, environment, and proudly points to the total.

The fact is that these social security trust funds are funded by individuals for themselves and cannot be used to forge public tools to deal with public problems, except of course, the important problem of modest income and health care in old age.

The fact is that less than one quarter of the President's budget goes for developing public tools to solve such massive national problems as urban decay, crime, drugs, health, mental illness, low-income housing, job training, transportation, and pollution.

Does the President know that there are 18 million disabled people in this country, as he cuts back on training programs that could make some of them self-supporting?

Has he ever visited a vocational rehabilitation center or a community mental health center—programs his budget phrases out.

What the President has laid forth in this budget is his political philosophy. He has flung down the gauntlet, and the next move is up to us.

The first thing we must do is to go back to the wellsprings of Democratic philosophy.

The text for today—the text for the coming days of the 93rd Congress—is found in the 1937 Inaugural Address of President Roosevelt when he said, "The test of our progress is not whether we add to the abundance of those who have much; it is whether we provide enough for those who have too little."

Where does the Nixon budget come out on this test? You tell me.

Where does the President come out on President Roosevelt's vision of a world founded upon four essential freedoms? We must recall them, and re-dedicate ourselves to them:

The first is freedom of speech and expression, everywhere in the world.

Does his Administration understand this? Does he understand that the most unique aspect of the American system is the extraordinary latitude given to the press—the constitutional assertion in the first amendment that "no law" shall abridge the freedom of the Press? Does he understand this as he moves to increase government secrecy, intimidate television networks, deny journalists the right to confidential news sources, and threaten loss of licenses for local TV stations who fail to censor "elitist gossip" from network news programs?

The second is freedom of every person to worship God in his own way—everywhere in the world.

I am happy to report that the President seems to understand this particular freedom.

The third is freedom from want. For this, the President would substitute self-reliance.

People want to be self-reliant but we also know that before you can be self-reliant you need education, you need to be healthy, you need to have a job skill. We know that the federal government has helped to provide these things because in the past local and state governments did not or could not.

The fourth freedom is freedom from fear.

This the President understands all too well. He knows that many Americans are afraid—afraid to go out at night; afraid of busing; afraid of economic and social change.

The President knows full well that fear paralyzes. His strategy seems to be to play on those fears.

So the first thing we must do is to reassert the values of the Democratic Party against the Nixon ideology of domestic disengagement, retreat and defeat.

The second thing we must do is to take a fresh look at how these Democratic values are to be implemented. There is no better place to start than with Congress.

Clearly, the Congress has already been taking some steps to implement these values. We have cut defense spending, space and foreign aid and increased social programs. And this is why the President is angry.

But Congress must do much more. It must take the initiative—set priorities, reevaluate and update existing programs.

It must create new mechanisms to put its house in order: An Office of Budget Analysis and Program Evaluation; a realignment of committee jurisdictions.

It must take a hard look at the tax laws and pass tax reform measures.

And, most important, it must assert the people's will as to national priorities—not the will of anonymous OMB bureaucrats and an isolated President.

We need a whole new way of looking at national priorities.

We need to think bigger about the long-term growth of this vast nation. What will be our needs ten, twenty years from now? Change has accelerated so fast that we can no longer afford to plan only one or two years ahead.

Many of the programs that are on the books are geared to present needs only. They are potentialy obsolete.

The answer is not Nixon's—to scrap them, without developing new answers—and to simply depend on underfinanced local government to develop local solutions to national problems—problems which are unmanageable if attacked only on the local level.

The answer is to think in fresh terms about solutions.

We need to think about a Balanced National Growth and Development Policy, so that we can plan for the future, and spend our money wisely. We will not be able to deal with the energy crisis or the transportation crisis without such planning. The lack of such planning is, in fact, why we now face such crises.

So we need brainpower for planning. We also need manpower for financing our plans. We need to think about a Domestic Development Bank, to deal with the financial crisis of our cities, and the economic disintegration of our rural areas.

These are mechanisms. Maybe they're not perfect ones. The point is that the Democratic party must vigorously examine what mechanisms must be developed to assure the economic and social health of our nation.

The health of children, and their right to a childhood which nurtures rather than warps.

The health of adult men and women, and their right to live in a decent neighborhood and have productive employment.

The health of the elderly, and their right to an old age with dignity and security.

And we must start thinking about how to make government more responsive to people at the neighborhood level.

Simply dumping problems back into the laps of state and local government, as the President proposes, does not mean that the average person is going to get more for his tax money. Given the almost certain increase in regressive local and state taxes that is sure to follow he will undoubtedly get less.

Let's have some fresh thinking about the relationship between government and neighborhoods.

Perhaps we should have neighborhood revenue sharing, to assure that people can get their money's worth back in services.

Perhaps we should create incentives in the tax system so that Americans can get some tax credit for the time they put in on public-service work—just as the affluent get credit for cash contributions—thus stimulating a new dimension of public service activity, at the neighborhood level and beyond.

Such a tax mechanism, combined with neighborhood revenue sharing—and even computer-matching—could lead to a revitalization and rehumanization of neighborhoods through exchange of services—and cut down spawning government bureaucracy; non working mothers providing child-care to children of working mothers; teenage youth tutoring younger youth; neighbors providing car transportation for the elderly.

Some such means is needed to match up our unused human resources with the vast unmet needs of people who need help—or just friendship. There are literally millions of women, youth, and others who would take advantage of such a tax incentive to help rehabilitate mental hospital inmates, prisoners, the elderly, the disabled.

Perhaps we also need to establish productivity guidelines for public municipal services, as is being done in New York.

Perhaps we should create a new role for working people—steelworkers as well as doctors and lawyers—in our schools, to give desperately needed vocational guidance to our children.

Perhaps we need new incentives for neighborhoods to share cars, electric lawnmowers, and snowplows, to cut down noise and air pollution, and meet the impending energy crisis.

These are just some small ideas—people-level, neighborhood-level ideas. They should be explored. We must try. Again, we must remember what F. D. R. said: "The country needs . . . bold, persistent experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

But President Nixon has put a freeze on experimentation, on thinking fresh in big ways or small ways—about the nation as a whole or your neighborhood in particular. His is an attempt to recapture some imaginary past, where technological and economic and social change did not require new, vigorous governmental mechanisms at both national and local levels.

To me, the challenge to the Democratic Party is clear. There is a vacuum of national domestic leadership in the nation. The Democratic Party and the Congress must fill it.

LETTER TO A COLLEGE YOUTH AND A REPLY

Mr. BELLMON. Mr. President, a lot has been said in recent years about the "generation gap" that supposedly exists between the youth of our country and their elders. While I generally abhor labels of this kind because they tend to oversimplify a situation, it will have to be conceded that events of the past few years have demonstrated some rather sharp conflicts of views between parents and children.

Through the courtesy of a good friend, W. T. "Bill" Payne of Oklahoma City, I have recently read two very thoughtful and articulate expressions to today's society, as viewed by a middle-aged father and a high school senior.

One is a widely printed "Letter to a College Youth" written by William F. McCurdy, vice president, public relations, Sears, Roebuck & Co. Mr. Payne sent a copy of this letter to his grandniece, Julie Darling of Burwell, Nebr. Julie sat down and wrote a response, and as Mr. Payne says,

It was so full of common sense and such good analysis of thinking of some of our youth I wanted to share it with you.

Mr. President, I feel that Members of the Senate would benefit greatly from these observations and therefore I ask unanimous consent that these two letters be printed in the RECORD.

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

LETTER TO A COLLEGE YOUTH

(By William F. McCurdy)

I am 54 years old and I classify this as middle-aged. I have lived through a depression; I have lost four years to war; I am invested with sweat and I am absolutely sick of some of the younger generation: the hippies, the yippies, the dippies, the militants and all of their nonsense.

I am tired, as a member of my generation, of being blamed, maimed and contrite. I contend that we, my generation, have spent too much time telling the younger generation that they are a different breed—how wonderful they are. I submit to you that youth has always been wonderful. We were wonderful when we were young but that didn't give us any license to tear up the place.

The younger generation tells us today that they're up-tight about a lot of things. I'd like to tell you about some things that I'm up-tight about. I'm disturbed that on few college compuses in the United States today the President of the United States, the Vice-President, a member of the Cabinet can come to talk to the students without disruption, physical abuse or intimidation. Yet at the same time, a convicted murderer, a dope peddler or one committed to overthrow our government cannot only get a respectful hearing, but be paid a handsome honorarium to boot.

Recently I sent a son to college. And when I stuffed in his pocketbook the check for his tuition and his room and board and his books and his activity fees and on and on, I also took the time out to write a little letter in the hope that he would read it. I don't know whether it will do him any good, but here's what I said:

DEAR SON: So you're off to college! Your mother and I hope that it will be a worthwhile experience for you. I'm not sure about this, I have a friend who's had a son in college two or three years and I asked him not long ago: "Has going to college been a worthwhile experience for your son?" He said, "Well, I think so, it sure has cured his mother from bragging on him." And I know another young man who has been in college a couple of years and I asked him: "What do you think of college? Has it been worthwhile for you?" "Well," he said, "I'm not sure." He said, "When I am at college I'm a liberal, when I'm home I'm a conservative and when I'm alone I'm confused." Now we don't want you, my son, to be confused. We like you the way you are right now. We think you think straight about things, but you're going to undergo a new experience and I'd like to talk to you about it a little bit.

It occurs to me that there are many things about you, your actions and about your country that I should have discussed with you already. Now it may come as a shock to you to know this, but I was young once too. And I'd like to tell you that I know more about being young than you know about being old. You are fortunate to be a citizen by birth of the greatest country on this earth.

Your generation has been freed of the nagging worries of food, clothing and shelter. You're the product of an affluency, which has been created for you by your parents. Today's generation is able to afford a hypersensitivity to social problems. I would like you to know this, my son: sensitivity is not the property of the young, nor was it invented in 1950. Your generation didn't invent it, you don't own it and what you seek to attain all mankind has sought to attain throughout the ages.

Society, or as your generation sometimes refers to it, "the establishment," is not a foreign thing that we seek to impose on the young. We know that our generation has been far from perfect, but I would remind you that we didn't make it, we have only sought to make it better, and the fact that we have not been 100 per cent successful is the story of all generations, just as it will be the story of your generation.

Society hangs together by the stitching of many threads. No 18-year-old is the product just of his 18 years. He is the product of 3000 years of the development of mankind and I would remind you, my son, that throughout those years injustice has existed and it has been fought. Rules have been outmoded and they have been changed. Doom has hung over man and somehow it has been avoided. Unjust wars have occurred and pain has been the cost of progress. Need I remind you too, that man has always persevered? And so, when your generation says that we must solve all of the country's problems by next Wednesday morning at 9 o'clock or you'll huff and puff and blow our house down, I could only characterize this as stupid, unthinking, irrational immaturity. Mankind can never hope for anything better on earth than to leave this world just a little bit better than he found it.

"All right," you say to me, "What has your generation done?" Let's come to grips with this one right now. When you get to college you're going to hear a lot of anti-establishment talk. Now first let's examine just who is the establishment. To begin with it's your mother and your father and your aunts and your uncles and your adult friends that you always seem to think so much of. We're the establishment. We're not perfect but we're rather proud of what we've done. And when you think of the establishment, I'd like you to think of us in this way: We are the people who have increased, in our generation, the life expectancy in this country by more than 50 per cent. We are the people who have eradicated plagues. We are the people who developed the Salk vaccine. It came along too late for us, but without it many of you and your generation would either be dead or crippled today.

We are the people who have reduced the working day by one-third and at the same time more than doubled per capita output. We're the people who have built thousands and thousands of high schools and colleges and have spent billions of dollars on higher education thereby making it available to the millions, when at one time it was the province of the very few. We're the people who, without any bloodshed, back in the 1930s effected a social revolution so humane in its consequences that it tends to make the famous French Revolution look like a mere outburst of savagery and the famous Russian Revolution a down-right political retrogression.

We're the people who defeated Hitler, contained Stalin and made Khrushchev back down. There is today a flag and a plaque on the moon attesting to the fact that my generation put the first man there. We're the people who split the atom, for good or evil, thereby releasing the primal energy of the cosmos for all mankind. And in my judgment during all of this time we have created a great literature, exciting architecture and have conducted extensive experimentation in all of the arts. And I'm going to restrain my enthusiasm, perhaps, for pointing out to you that we also developed the automatic transmission and maybe that's why so many of your generation are so shiftless.

LIKE AN INQUISITION

Your generation has been most articulate in saying what's wrong with my generation. Our generation, on the other hand, has had no voice, no announcers, no press, that which is right with us has been buried in silence and we tend to lose by default. So my son, in this letter I'm invoking the first amendment in behalf of my generation. My generation was a creature of the depression.

Not long ago I was invited to a major university in our country to speak to the business college—1800 kids there. They called it a "symposium,"—they should have called it a Spanish Inquisition. This is the way it worked: Every morning at 8:30 I would make a statement for 30 minutes on behalf of the establishment, on the free enterprise system. For the rest of the day, including luncheon, I was attacked by the younger generation.

I'll never forget the first morning. I got through at 9 o'clock and I got the first questioner immediately. The young man stood up with a Custer hair-cut, a Fu-Manchu mustache, naked from the waist up, barefooted . . . they dress casually there. You've heard of the "Rambling Wreck from Georgia Tech." This kid looked like the "Total Loss from Holy Cross." And he pointed his finger at me and he said, "I charge you and your generation with being materialistic. I say that every thought and every deed of your generation is prompted by the profit motive; would you care to comment on that?" I said, "I don't think everything we do is dedicated to profit." I said, "Of all the profitable investments I've ever known in my life, raising kids is right at the bottom of the list. And if all of your parents ever thought about was profit, they would have drowned you before you ever got your eyes open."

But I think there is something to what you say; I think we're materialistic, yes, I'll admit to it. We're all creatures of our own environment and we came along during the depression days. Things weren't very good back in the depression days; you don't know anything about that, but they weren't very good. Things were so bad that hitch-hikers were asking for rides going in either direction, they didn't care; that's how bad it was.

But how, how can we explain those times to you, my son, you don't know anything about them. You're leaving for college in a car that cost your mother and me three times more than I made the first year I ever worked for Sears, Roebuck and Co. And it wasn't because your car is that big, it's because my salary was that little. That wasn't Sears fault, that was the ball game, that was the ball park, and that was the way that we played it in those days. Sure I had a car, in my junior year when I went to school it was a stripped-down-Model-T, I needed in order to pick up laundry and cleaning and pressing. I was trying to work my way through school.

TOO MUCH—TOO SOON

In those days I never invited a girl for a date unless she was strong enough to carry 50 pounds of dirty laundry. And this may sound strange to you, but I think that we were fortunate in those days because all of our luxuries and most of our necessities came to us a little bit at a time, we savored them and we enjoyed them and we appreciated them and we were thus motivated to work harder to get more. In those days a job was a thing of beauty and a joy forever. But your generation has had too much, too soon.

Let me talk to you just a second about what I think your mother and I owe you. I think that we owe you food and clothing and shelter and an education, and all the love and respect that you're able to earn for yourself. Now let me talk to you about something I think we don't owe you. I think we don't owe you our souls, our privacy, our whole lives, our immunity; not only from our mistakes or from your own. These are what we don't owe you.

Bob Hope, one of the country's great entertainers and a great citizen, was asked last spring if he would speak to a graduating class in the United States and give them a few words of advice on going out into the world. His message was very brief, he said, "Don't go!"

Well I'm not sure this is exactly right. I think when you graduate from college you'll enjoy testing your wings. I think you'll enjoy a pride of authorship, I think you'll enjoy making a contribution to society, and I want you to know right now, my son, there are many things that you and your generation can do. I readily admit that everything that my generation has done is not right. In solving an economic problem of the '30s, I know very well that we created social problems for the '60s and the '70s, and you are concerned about them and you should be. And we're proud of you.

But I think you ought to know that it takes time to get these things done. The technology that we've delivered to you and your generation today has caused some problems and every action, as you've learned in physics, brings about a reaction. And today we've got more automobiles than any country on earth, and some people say we've got more polluted air. We've got more TV sets today than any country on earth and some people say we've got more polluted minds. We've got more food today than any country on earth and more people are dying of obesity.

My research also pointed out we have more bathtubs than any other country on earth, too, for whatever that's worth. But we hope you could keep the benefits and minimize the risks, we hope that your generation can keep the cars and solve the pollution problem, we hope you can keep the TV and solve the programming problem, we hope you can keep the food and solve the weight problem.

Above all else we hope that you will not destroy the private enterprise system in America. We hope rather that you will understand it, appreciate it, learn to cherish it, because if you don't, my son, I predict that 20 years from now you're going to have a son driving off to school during another generation gap and you're going to be defending your generation against his generation and he's going to be saying that your generation turned out to be a bunch of sociological weirdos who were the residual legatees of an economic Garden of Eden and had neither the good sense nor strength to preserve it.

Sincerely,

YOUR DAD.

DECEMBER 24, 1972.

DEAR GREAT-UNCLE BILL: I have just read "Letter to a College Youth." Perhaps I'm still too young—not being a college youth yet—to discuss the letter as an intelligent writer, so I must discuss it using my somewhat naive mind.

Mr. McCurdy pointed out the really great things his generation has accomplished. And indeed, I'm awed at the defeat of crippling diseases, reorganized educational system, the automatic doo-dads that make life so much easier. In fact, he didn't name half of all the wonders his generation has created. Remember that my utmost respect goes to the older generation in the following discussional.

Mr. Mc says he is "tired, as a member of (his) generation, of being blamed, maimed and contrite." As an 18-year-old, I am tired of being bracketted with the hippies and militants and 'wierdos'. I am only one of

the millions of conservative, common-sensed kids who will soon be going out and finding his niche in the world. What I mean to say, is that for all the news and headlines and wild stories that are flung around nowadays, the vast majority of youth is *not* a group of protesters, draft-evaders and bra-burners, but level-headed individuals with eyes that can see the truth, ears that hear what's going on, and educated minds that can digest it all.

We are not going to destroy the capitalistic society. We are not out to make life one big commune. For heaven's sake, grant us with at least enough common sense that we know what a good thing we've got going for us. It's just that this "good thing" needs to be polished, and it needs to be polished with some urgency in mind. Pollution is spreading, a futile war kills thousands every year, our resource supply is rapidly diminishing, our wild-life is being hunted to extinction, all the while our population is tripling.

Wouldn't it be wonderful if we had all the time we needed to sit and ponder these problems and make slow, sure steps to solve them. But we don't have that much time. With acceleration hitting every facet of life, maybe it's affected us also in regarding these problems. We won't rest easy until they are solved.

But now let me criticize some of my militant contemporaries. I know, Uncle Bill, I can see how idiotic these violent protests and extreme actions are. Look at what a mess they have already made of the world. But these rebels do not represent the younger generation. They represent themselves—their own insecurities and failures that have overcome them.

Let's take a closer look at them. How did they come to be this way? I think that the parents of these poor, "twisted in the head" kids must have failed in bringing up their children. Yes, it's true, they gave their kids the Salk vaccine, automation and money. But they blindly left out the most important factor of life—love and the expression of love. Worshipping pills and alcohol instead of God, they have raised their children. And now the kids are turning out all wrong, and everyone wants to know the reason. Well, monkey see, monkey do. These kids are confused, and expression is coming out in a burning chaos. The needles they jab into their veins are no worse—but the reasons for getting high are the same. It's an escape. They can't take life. Disillusionment has come on too strong. They weren't brought up with mental strength or the security of love. Material things took their place. And what's to pay? Look at the headlines . . .

Once again I stop. The "older" generation is no more one big lot of alcoholics than the younger generation is a mass of drug-sniffin' hippies. In fact, this world of people can not be divided into two generations—the Archie Bunkers in one group and rebels in the other. The majority of people are somewhere in between the two extremes. They are the ones who will control the future.

I am optimistic. Haven't you noticed already how different things are now—compared with the late 60's? Rousseau said something: "There was never a time when civilization was in need of spiritual awakening that it did not arrive." Well, it has arrived. It came on in the late 60's and what a rude awakening it was! This eye-opening shock attacked the mistakes that Mr. McCurdy so readily admitted. But look at past history. Every revolution that has come about was started by a small few who were declared lunatics. Stop and look at the outcomes of these revolutions. They nearly always turned out for the best, and certainly didn't change the majority of people to extremists. The rebels made their impact, the majority considered these new ideas, and the outcome was a compromised generation. Because of these revolutions there is not now a strict class system, and the United States of America can sustain a strong democratic government, and wars are (I hope) coming to an end.

It's unfortunate that the rebels have to come on so strong and knock everything out of kilter, but life always settles back down. Like I said, look around you now. People aren't turning to massive protests (as much) but instead are turning to conscientious awareness.

Rap sessions are developing where people can talk things out honestly. It's the compromise I was talking about. Life will change, but not to anything extreme.

The most unfortunate part of the emphasized generation gap is that it leaves you and me feeling as if we had to choose a side. I know that you're no Archie Bunker, and I hope you know that I am not one of the kids in the headlines. We are two of the intelligent persons who belong to the majority. It is up to us, not the rebels, to decide about the future. Once again, I'm optimistic.

Here is something that I noticed about Mr. McCurdy's letter to his son. I think he was already expecting a protest from his son; therefore, he wrote almost defensively. This will immediately make his son feel offensively, and Bingo, the gap spreads another inch. If he would have done a little more intelligent discussing and a little less finger-pointing, I think he would have made a better impression on his son.

Just one more point I'd like to discuss (well, I might as well say "argue"!). Nothing makes me madder than to hear, as Mr. McCurdy stated so colorfully, about this young generation with their "Custer haircuts, barefeet," and different ways of dressing. Maybe he was trying to be humorous, but I thought his words were drenched with criticism. If we are to be judged by the clothes we wear and the cut of our hair, then heaven help us all. Because no problems are going to be solved if physical looks stand in the way. I am not one of the kids who wears sloppy clothes, no shoes, and love beads. But it is not because I feel that it's wrong. If they want to dress that way, ok. I don't. But I certainly don't condemn them for it. Please! Listen to them—the things that come out of their minds—don't prejudge them when you see their "Manchu mustaches."

I can only feel great pity for the model Archie Bunkers. I also feel compassion for the militants and hippies. When I look at my own life—showered with blessings of security, love, a super family, and strong friends and relations—and compare it with the above, I can see how much they've both missed out on. It makes me count my blessings twice.

Love,

JULIE DARLING.

REPORT ON UNITED STATES-PHILIPPINES RELATIONS BY THE SECRETARY OF THE SENATE

Mr. MANSFIELD. Mr. President during the adjournment of the Congress, I requested the Secretary of the Senate, Frank Valeo, to undertake a brief journey to the Far East. In particular, I asked him to visit Manila and to discuss recent developments there with persons closely associated with the situation. Because of the long-standing and unique relationship between the Philippines and the United States and the diversified legal base on which it rests, it seemed to me useful to have an up-to-date evaluation of the situation from the legislative point of view.

The Secretary gave me his report in confidence last December. A plebiscite on the new Constitution of the Philippines was expected on January 15. Hence, these observations were not made public in order to avoid any implication of interference in that internal Philippine matter. In view of what transpired last month in the Philippines, however, it seems to me that the report can now be made available and will be of interest to the Senate. There is no reference in the report to developments which have taken place in the Philippines after mid-December when the report was transmitted to me. Nevertheless, most of the observations seem to me still to be pertinent since they cast recent events in terms of implications for U.S. policies and especially in terms of the Senate's potential legislative concern in the Philippine situation. I note, in particular, the report's reference to the fact that:

President Marcos has given strong indication that he believes the time is approaching for a new look at treaties, agreements and other arrangements between the two countries. These ties encompass the military bases, trade preferences, veterans benefits and even recruitment of Filipinos by the U.S. Navy for various duties. It would be prudent to anticipate the emergence of the issue of renegotiation, probably shortly after the new Constitution goes into effect.

The Constitution has now gone into effect and recent press reports suggest that the issue appears to be gaining momentum.

In connection with renegotiation, the Secretary recommends in his concluding comments that:

Senate committee staffs should be fully prepared in regard to the background of all U.S.-Philippine questions by the time they are presented in the form of proposed treaties or requests for new legislation. In view of the special historic relationship between the United States and the Philippines, it may be desirable to consider the formulation of a U.S. Commission on the Philippines, including members of the Senate, to examine the range of existing relationships between the two countries with a view to proposing to the President and the Congress such modifications, as may be suitable a quarter of a century after independence. Alternatively, the Commission on the Organization of the Government for the Conduct of Foreign Policy might look in great detail into this matter.

Some such consolidated examination would be valuable because of the great diversity of relationships which have been carried over from the pre-independence period. There would also be some value in a consolidated examination of this kind which took place prior to the establishment of executive positions. In that fashion there could be a legislative input into the formulation of any new arrangements and thus the subsequent adoption of these arrangements by the Congress would be facilitated. Moreover, largely because of its role in bringing about Philippine independence, the U.S. Congress is held in high esteem in the Philippines. It would seem immensely desirable to build on this base by providing an active role for the Senate and the Congress in recasting the entire relationship. The alternative is a unilateral Executive Branch approach which would probably result in a piece-meal presentation of any newly negotiated arrangements to the various committees of Congress, without any attempt at a consolidated approach to a new relationship.

I ask unanimous consent, Mr. President, that the Secretary's heretofore confidential report on the Philippines to the leadership be included at this point in the RECORD.

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

U.S. SENATE,
Washington, D.C., December 18, 1972.

Hon. MIKE MANSFIELD,
Majority Leader, U.S. Senate, Washington, D.C.

DEAR SENATOR MANSFIELD: Pursuant to your instructions, I left for the Republic of the Philippines on November 20, 1972. Ten days later, I returned to Washington, D.C., having stopped briefly enroute in Hong Kong and Tokyo for conversations on developments in the People's Republic of China and the policies of Japan after the Tanaka-Chou meetings.

In Hong Kong, discussions were held with the U.S. Consul-General and his associates and with informal local residents. In Tokyo, I met with the U.S. Ambassador and members of his staff and with members of the Japanese Foreign Office.

My conversations in the Philippines were spread over several days and included meetings with President Marcos and Mrs. Marcos, as well as with members of the Presidential entourage. In addition, I talked with officers of the armed services and technicians of the Marcos Administration. I also met with Ambassador Byrode and senior officers of the U.S. Embassy in Manila and with various American and foreign residents in the Philippines.

The report which follows is an estimate of the current situation in the Philippines which is based on the sources mentioned above, supplemented by a study of recent documentation. It contains conclusions and recommendations directed to questions of policy which may confront not only the President of the United States, but also the Senate and the Policy Committee in the coming Congress.

In the pursuit of the study, I received excellent cooperation from the Department of State as well as from the U.S. Embassies in Manila and Tokyo and the Consulate-General in Hong Kong.

Sincerely,

FRANCIS R. VALEO,
Secretary of the Senate.

MARTIAL LAW IN THE PHILIPPINES

(Report of Frank Valeo)

THE SITUATION IN THE PHILIPPINES

I. The Nature of Martial Law

In outward appearance, the Philippine Republic has rarely been more serene. The armed services are conspicuous in their absence. Except between the hours of midnight and 4:00 a.m. when a curfew is in effect, there are few signs of martial law.

Manila is a city of normal activity. People go about the business of daily living with no signs of fear or anxiety. The back streets of Manila are rich with the characteristic human bustle of Asian cities. Traffic along Rojas Boulevard moves vigorously, but, seemingly, with greater discipline than in the past. The city is in the midst of an enthusiastic cleanup-beautification campaign, one of a number of civic projects to which Mrs. Marcos is lending her talents and energy at the present time.

It is said that when martial law was decreed there was a near universal sigh of relief in the Philippines. Thereafter, the popularity of the Marcos Administration is reported to have risen precipitously. Whatever the case, there are few outward signs of restlessness with the present situation.

Except in Mindanao, not a single death has been attributed to the enforcement of martial law or the decrees issued thereunder by the President. While death penalties have been established for certain offenses, none has been applied. Except in Mindanao, the private armies which once flourished under the patronage of provincial and local jéfés have been dissolved. In response to Presidential edict, about half-a-million weapons have been turned over to the authorities. The collection ranges from pistols to artillery pieces, most of them of U.S. or Japanese manufacture and many dating from World War II.

About 5,000 civil servants out of a total of several hundred thousand government employees have been dismissed. Profiteering, smuggling and gun-running have fallen off in the wake of the jailing of a number of political figures and businessmen who were said to be involved in these practices.

Basic commodities are in good supply and the price of food is down. The peso is stable in international exchange. Foreign business is operating freely and with less uncertainty and harassment than in the past.

Coincident with the declaring of martial law, the press and other media were shut down abruptly. News dissemination was confined at the time to one newspaper, one TV channel and radio station. A number of columnists were taken into custody. Many journalists and reporters were thrown out of work. This situation has now been eased so that, currently, several papers were published with "temporary" government subsidy and a number of TV and radio stations are on the air. Some journalists have been released and many are being re-employed.

The media remain subject to censorship and reveal a sharp change of tone in comparison with the past. Prior to martial law, the press was full of vitriolic comment on Marcos and his policies. What is communicated at present is free of abusive personal hostility. The reporting and commentary are either non-political or supportive of current policies. Nevertheless, the press cannot be said to have been converted into an instrument of personal glorification. There is little fawning over the President or his family.

Martial law is maintained by the Philippine Constabulary, under the command of General Videl Ramos, with the regular armed services standing in reserve. The latter are directly and heavily engaged only in the southern islands against the Moros. These tribal Moslems provide the principal resistance to the edict calling for a turn-in of weapons.

The Secretary of Defense is a civilian, Juan Ponce Enrile. Both Secretary Enrile and General Ramos are Marcos appointees as are many of the principal military figures. It is primarily through these associations and through the tradition of and training in civilian supremacy that the President maintains control over the military. It is also significant in this connection that the public spotlight does not fall on any particular military figure. President Marcos alone is the man-in-charge under martial law and his is a civilian image even though he is also the most celebrated Philippine soldier-hero of World War II.

II. Background to Martial Law

President Marcos and Martial Law

The reporting of recent events gives the impression that martial law is designed for the sole purpose of perpetuating the rule of President Marcos. The legal fact is that it is the proposed new Constitution which opens the way for the President to remain legally in power indefinitely. The new Constitution provides that the President will continue to hold office during a transition of indeterminate length. Thereafter, he could run for the proposed one-house Parliament and, if elected, be selected by that body to the key position of Premier. Under the old Constitution, the President would be ineligible for a third term and, legally, would have to step-down at the end of 1973.

Underlying Causes

Whatever the validity of the speculation on the personal motives of President Marcos there are other specific considerations which clearly underlay the declaration of martial law. The fact is that conditions had reached a sorry state in the Philippines. Indeed, the most frequently expressed criticism of the President's maneuver is, "why did he wait so long?"

The reference is to years of ineffectual government and deepening corruption, a process which had continued unchecked through successive administrations and Congresses. Furthermore, a situation had developed in Manila in which organized crime was growing at an astounding rate. Gambling and prostitution had become a massive 24-hour business. The streets were completely unsafe. Bank robberies, kidnappings, and gun-running were commonplace. Finally, with new restrictions coming into effect in Turkey, international drug operators had shifted operations to the Philippines. Perhaps as many as 20 factories had been set up to process crude opium smuggled in from Indochina.

Intermeshed with this flourishing vice, were several militant political groupings seeking an overthrow of the government by revolution or political coup. In the southern archipelago, the long-standing hostility of the Moros had been heated to a new intensity by increased Christian encroachments on tribal lands.

Assassination Plots

Finally, there were the plots for violent uprisings, assassinations and kidnappings directed primarily at the President and his family. The personal danger was and remains authentic, as witness the recent attack on Mrs. Marcos and the tight security at Malacanan Palace. The assassination plots (at least four attempts against the life of President Marcos have been delineated) derive from various sources and it is still unclear what relationship exists among them. It may well be that they were independent of one another, with each stemming from a separate set of grievances or personal animosities. However, the possibility of the extreme right financing the activities of the extreme left in order to intensify the chaos and make possible a military overthrow of the Marcos Administration cannot be overlooked.

Whatever the case, the principal plot is now described by the Marcos Administration as involving "rightest oligarchs" conspiring with defeated political opponents and retired and active military officers.

III. Objectives of Martial Law

The immediate purposes of marital law have been achieved in that a violent opposition has been silenced and a measure of order and discipline has been introduced into Philippine affairs. It is becoming apparent, however, that there were purposes other than the immediate which underlay the declaration of martial law. These purposes have to do with bringing about fundamental changes in Philippine society.

Once declared, martial law not only brought out the military to maintain order, it also opened the way for the President to initiate by decree the social reforms which, for many years, have been widely recognized as essential to the survival of a free system in the Philippines. Although they had been debated and discussed at length, many never saw the light of day in the form of legislation. Others were adopted as law but in so watered down a form as to be ineffectual. Still others were enacted but lost their sub-

stance in a maize of bureaucratic incompetence and corruption.

Constitutional Change

The fundamental reform involves the new Constitution. Whatever the differences in Philippine politics, there has been wide agreement that the present Constitution is unsuited to the solution of the nation's problems. It is modeled closely after the U.S. Constitution and U.S. Constitutional practices *prior* to the Great Depression. This system was married to a Philippine social structure with strong Hispanic-Colonial overtones set on a Moslem-Malay-Chinese base. The combination created an ineffectual government even as it opened the doors to an unabashed official corruption.

No one can say whether the new Constitution, if it is adopted, will meet the basic needs of the Philippines. There is wide agreement, however, that under the present Constitution, it is impossible to do so.

In the middle of January, it has been announced that the new Constitution will be put to the test of a plebiscite. Thereafter, an interim government consisting of the President and members of the Constitutional Convention will function pending regular parliamentary elections. The date of the regular parliamentary elections is not yet fixed but it could come toward the close of 1973.

Doubts have been expressed in some quarters that this scenario will be followed. It is suggested, rather, that Marcos will continue indefinitely to rule as interim President. On the other hand, it should be noted that the new Constitution should be agreeable to the President in that he is reported to have written significant portions of the final draft. For two years, he has supported the work of the Constitutional Convention in which his bankers have been the dominant faction. It would seem somewhat far-fetched to anticipate that he will now reject what, for all practical purposes, is his own handiwork. By temperament and training, moreover, Mr. Marcos is a lawyer and legislator and he would have no personal difficulty in functioning in a parliamentary setting. Finally, the new Constitution will permit a continuance of the kind of government initiative which has characterized his leadership under martial law.

Land Reform

In the end, the success of the present Marcos maneuvers is generally believed to rest heavily on the outcome of the land reform. This problem is, at once, the most pressing and most intractable which confronts Manila. Both the Congress and the President have been grappling without success for years to devise an effective formula for land-redistribution, especially for the island of Luzon where tenancy is widespread and oppressive.

A legal basis has now been provided by Presidential decree for a broad redistribution of land-ownership to the tenants. The program is already underway and so far is reported to be moving well. The large estates have been scheduled for expropriation with compensation, with few difficulties being encountered in this connection. Problems are arising in preempting the land of small absentee holders. Many of these owners live in the cities and towns where they are government employees, tradesmen and other members of the small modern middle class. As a group, they have been a source of political strength for the President and among the staunchest supporters of martial law. They are reluctant to relinquish their lands which have cultural significance as well as economic worth. If they are not liberally compensated for the expropriations, their support for the President and martial law could evaporate very quickly. There are indications that requests for financial aid from this nation may be forthcoming in this connection. Heretofore, however, the only U.S. assistance of any consequence in this connection has involved aid in land surveying and registration, the establishment of new credit facilities in the rural areas and similar technical undertakings.

To sum up then, beyond the ostensible objective of restoring law and order, martial law has paved the way for a reordering of the basic social structure of the Philippines. President Marcos has been prompt and sure-footed in using the power of Presidential decree under martial law for this purpose. He has zeroed in on the areas which have been widely recognized as prime sources of the nation's difficulties—land tenancy, official corruption, tax evasion, and the abuse of oligarchic economic power. Clearly he knows the targets. What is not yet certain is how accurate have been his shots. Nevertheless, there is marked public support for his leadership and tangible alternatives have not been forthcoming. That would suggest that he may not be striking too far from the mark.

IV. U.S. Responses to the Situation

U.S. Business Community

The U.S. business community in Manila seems to have been reassured by recent developments. The trend of court decisions prior to martial law had raised serious questions as to whether or not U.S. businessmen could continue to operate at all in the Philippines. Henceforth, they hope for and expect more equitable treatment.

President Marcos has given assurances to foreign businessmen regarding their continued participation in Philippine economic development. These assurances are of significance not only to the U.S. nationals who hold the largest share of the foreign investments but to others as well, notably the Japanese. Japan's business holdings are much less conspicuous than those of the United States but are believed to run a close second in value.

The special economic and military arrangements which have existed between the United States and the Philippines remain intact. These include not only the unique privileges of American investors under the old Constitution but trade preferences, notably the sugar quota, and the rent-free military base agreements involving tens of thousands of acres of land at Subic Bay and Clark Field. President Marcos has expressed the view that the time is approaching for an up-dating of all arrangements between the United States and the Philippines. At least a restatement of these arrangements, will be necessary, in any event, both in connection with the new Constitution and the expiration of the trade preference in 1974.

U.S. Aid

For the present, U.S. aid continues unchanged. On the non-military side, it consists largely of a technical assistance program and P.L. 480 and, most recently, the U.S. flood relief program. Based in large part on the Senate's initiative, the latter program can be regarded as having been immensely helpful to the Philippines at a time of a great natural disaster. There is genuine Philippine awareness of the value of the prompt and effective administration of this program.

V. Concluding Comments and Recommendations

Nature of Martial Law

Martial law was declared and is being administered at this time on a Constitutional basis in the Philippines. The military carries out the orders but it is the President who gives them. In this respect, the principle of civilian supremacy remains in the saddle. Barring the assassination of President Marcos, there is little likelihood of its being unseated.

A temporary respite in the social deterioration has been provided by martial law. It should last long enough to initiate a long-delayed re-ordering of Philippine society. In the end, however, durable change cannot be brought about in a setting of expediency. It must be reiterated, therefore, that the respite is temporary. Unless the momentum of change is maintained and transferred into a new and more effective Constitutional setting, the existing tranquility will only be the lull before the storm.

Today, with political extremism on the defensive, with official corruption taking cover and with the people reassured as to the stability of their government and the effectiveness of its leadership, it is relatively easy to maintain order under martial law. The cost is small. The returns are great. That will not be the case tomorrow, if the reforms fail to take permanent root.

Philippine Leadership Under Martial Law

To a great extent the success or failure of the Marcos manoeuvre rests on the shoulders of the President and his immediate associates, in all, perhaps thirty or forty men. For the most part, those who are managing the transition are well-trained technicians, modern-minded and energetic and imbued with enthusiasm. They share with the President an apparent determination to use the power to act under martial law to begin the building of a "new society" in the Philippines.

President Marcos alone, however, is the political leader. He will set the pace and direction of change. He will make the critical decisions. In short, he is the critical factor in the present situation. The Philippine Republic may or may not make the transition to an effective and responsive system which will contain a recognizable degree of individual freedom. Almost certainly, however, the transition cannot be made without President Marcos.

Implications of Assassination

In the circumstances, President Marcos remains the natural target of the political assassin. If he is removed from the scene before the new Constitutional structure is firmly established, the legal succession will be thrown into complete chaos. The military forces, now led by Marcos-appointed officers, are not likely to acquiesce in the orders of a dubious civilian successor to Marcos. However, any attempt by a successor government to check the momentum of change would set in motion, again, a swelling demand for violent change.

The assassination of President Marcos, in short, would most likely set the stage for a military dictatorship and possibly a subsequent civil war. In that case, the United States with two great military bases and a long association with the Philippine armed forces, would be pressed to become increasingly involved in the situation.

Vietnamese Parallels

To be sure, there are many non-parallels in the Philippine and Vietnamese situations but, from the above, it can be seen that there are also disturbing similarities. President Marcos, himself, is fully aware of them. Indeed, he has made clear that the steady accretion of the elements of another Vietnamese-type tragedy was a critical consideration in prompting him to declare martial law.

Requests for U.S. Aid

As the reforms progress, it may be that additional requests for U.S. aid will be forthcoming. Each such request should be considered on its merit, even as this nation continues to restrain its involvement in the internal political developments under martial law. These matters are essentially the concern not of the United States but of the Philippine nation. To the extent that we may be called on to respond to aid-requests, it would be well, not only to weigh each separately on its merit, but also to consider each

carefully in terms of whether it increases or decreases the likelihood of an eventual U.S. military involvement.

Whether the response is positive or negative, above all, it should not be gratuitous. We are dealing with a new generation of Philippine leaders who no longer see themselves as this nation's dependents. They are intensely nationalistic. Their personal memories of past U.S.-Philippine ties are either non-existent or dimming into amiable or hostile generalities. The present political leaders of the Philippines are not pro-American, pro-Spanish, pro-Japanese or pro-anything other than pro-Philippine. After that, if there is any favorable inclination at all, it is generally towards the United States. In any event, that is the tone which has been set by President Marcos.

The tie of acculturization with the Philippines can be encouraged by this nation as a long-range asset if there is public understanding of the problems of the Philippines, a sympathetic diplomacy and great restraint in official involvement in the internal affairs of the Philippines. However, any tendency to exploit the ties or to corrupt them into new and ambiguous forms of dependency will yield only liabilities. An aid-effort, deliberate or clumsy, which operates at cross-purposes with the transition in the Philippines would fall into the latter category.

Future of U.S. Business

We should also be aware that changes may be coming in the special position which American nationals, as compared with other foreigners, have carried over from the colonial era in the Philippines. The American business community in Manila, in general, seems alert to this likelihod and does not seem dug in against change although there is, clearly, an understandable desire to preserve as much as possible of their present advantage. The Marcos Administration is likely to be understanding of this situation if we are similarly inclined. We should bear in mind that quite apart from this special position, which affects only a handful of U.S. nationals, the U.S. business stake in trade with respect to the Philippines is large and can become larger if a general climate of cooperation can be preserved. We should bear in mind, too, that the international economic interests of the Philippines are diversifying. Japan, for example, already has great significance in the Philippine economy with which there are natural lines of commerce. The likelihood of Mainland China establishing ties should also be anticipated. In this connection, it might be noted that not only did Taiwan contribute to Philippine flood relief, so, too, did Peking.

The Philippines and the U.S. Senate

While U.S. official responses to the Philippines will be set by the President and the Secretary of State, it is also likely that the Senate will be confronted with major issues of policy in this connection. In the first place, as noted, President Marcos has given strong indication that he believes the time is approaching for a new look at treaties, agreements and other arrangements between the two countries. These ties encompass the military bases, trade preferences, veterans' benefits, and even recruitment of Filipinos by the U.S. Navy for various duties. It would be prudent to anticipate the emergence of the issue of renegotiation, probably shortly after the new Constitution goes into effect.

Relevant Senate committee staffs should be fully prepared in regard to the background of all U.S.-Philippine questions by the time they are presented in the form of proposed treaties or requests for new legislation. In view of the special historic relationship between the United States and the Philippines, it may be desirable to consider the formulation of a U.S. Commission on the Philippines, including members of the Senate, to examine the range of existing relationships between the two countries with a view to proposing to the President and the Congress such modifications, as may be suitable a quarter of a century after independence. Alternatively, the Commission on the Organization of the Government for the Conduct of Foreign Policy might look in great detail into this matter.

Some such consolidated examination would be valuable because of the great diversity of relationships which have been carried over from the pre-independence period. There would also be some value in a consolidated examination of this kind which took place *prior* to the establishment of executive positions. In that fashion there could be a legislative input into the formulation of any new arrangements and thus the subsequent adoption of these arrangements by the Congress would be facilitated. Moreover, largely because of its role in bringing about Philippine independence, the U.S. Congress is held in high esteem in the Philippines. It would seem immensely desirable to build on this base by providing an active role for the Senate and the Congress in recasting the entire relationship. The alternative is a unilateral Executive Branch approach which would probably result in a piece-meal presentation of any newly negotiated arrangements to the various committees of Congress, without any attempt at a consolidated approach to a new relationship.

DEVELOPMENTAL DISABILITIES

Mr. BEALL. Mr. President, on Thursday, February 8, one of my constituents, Mrs. Joan M. Rupp, presented testimony on S. 427, the extension of the Developmental Disabilities Act before the Subcommittee on the Handicapped.

Mrs. Rupp is president of the Maryland Association for Children with Learning Disabilities and in her testimony before the committee stresses the need for the renewal of S. 427 as well as the need for a revised definition of "developmental disability." I recommend Mrs. Rupp's testimony to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

THE DEVELOPMENTAL DISABILITIES ACT

My name is Joan Rupp. As a parent and an educator, I am speaking on behalf of the National Association for Children with Learning Disabilities (ACLD). ACLD is a federated organization with affiliates in 41 states and the District of Columbia. The representation is 75% parent and 25% professional. It is parent oriented and parent directed. While the percentage of persons afflicted with the handicap which ACLD represents is quite significant, it is felt that only a small percentage of that group, probably under 1%, is severely enough handicapped to fall under the provisions of the Developmental Disabilities Act. However, we are vitally concerned with the needs of this group, albeit small. The interest of ACLD is in preventing, by means of proper diagnosis and remedial measures, the strong possibility that, whether by behavioral, psychological, or educational mismanagement, this small group may end up with a substantial enough handicap to result in needs which would require continuous and serious intervention of various kinds.

On behalf of this group, and in the interest of meeting their needs, ACLD is fully behind the renewal of S. 427. The renewal, at the present level of funding, would be most significant in meeting large and still unmet needs of these individuals. ACLD is particularly in favor of the recommended revision of the present definition, supported by the Administration, the National Advisory Council on Developmental Disabilities, and the Ad Hoc Coalition, as follows: "Developmental Disabilities means a disability which 1) is attributable to a medically determinable physical or mental impairment, 2) originates before the individual attains the age eighteen and has continued or can be expected to continue indefinitely, and 3) constitutes a severe handicap to substantial gainful activity (or in the case of a child under age eighteen a handicap of comparable severity)", for the following reasons.

First, this is a generic definition, whereas the existing definition depends on labels. The children who are of concern in this instance may, because of the limitations of testing mechanisms, lack of adequate professional personnel, and overlapping physical and/or emotional problems, be labeled mentally retarded, emotionally disturbed, etc. These are children who, research has shown may be identified at an early age, due to their inability to develop a proper body image without help. Development of the concept of body image is an essential awareness of one's own body as it relates to various positions in space. This concept is related to the development, in the child, of the concepts of right, left, up, down, in front of, and behind. The "normal" child very early develops such concepts, and as a consequence is able to easily accommodate himself/herself with respect to spatial orientation.

A significant finding of research with brain-dysfunctioning children is their inability, without substantial intervention, to develop these concepts, and so to behaviorally locate upness, downess, in front of, and in back of, as these concepts relate to their own bodies in space. Such a child is literally overwhelmed by the multitude of sensory data by which he/she is confronted on every hand at every waking moment; and so becomes, at a very early age, tense and disorganized, and anxiety-ridden—all of which contributes toward the development of a low self-concept. Since other children grasp these concepts quite early in life, and the children herein referred to require intervention of various sorts in order to learn them, there is not much doubt that a substantial neurological dysfunction exists. The following list of references clearly points out the neurological aspects of learning disabilities. While not a complete bibliography, this list constitutes sufficient evidence to establish the existence, in these children, of a substantial neurological impairment:

Chalfant, J.C., and Scheffelin, M.A., *Central Processing Dysfunctions in Children: A review of Research, NINDS Monograph No. 9, Washington, D.C., 1969.*

Clements, S.D., *Minimal Brain Dysfunction in Children, NINDB Monograph Number 3,* Public Health Serivec Publication No. 1415, Washington, D.C. 1966.

Crawford, J.E., *Children with Subtle Perceptual Motor Difficulties,* Pittsburgh, Stanwix House, 1966.

Denhoff, Eric, and Robinault, Isabel, *Cerebral Palsy and Related Disorders, A developmental approach to dysfunction,* New York, McGraw, 1960.

Myklebust, H.R. *Progress in Learning Disabilities,* New York, Grune and Stratton 1968.

Strauss, A.A., and Lehtinen, L. E., *Psychopathology and Education of the Brain-Injured Child,* New York, Grune and Stratton, 1947.

Wender, Paul H., *Minimal Brain Dysfunction in Children,* New York, Wiley-Interscience, 1971.

Labeling also tends to result in a self-fulfilling prophecy: i.e. because the child is so labeled, everyone expects too little and/or the wrong thing from him/her thereby creating a larger problem. A proper diagnosis in this area is difficult, but not impossible. It

does however, require a multi-disciplinary approach, which at the present time is not available except at great cost, and which might be made available through existing or planned mental health facilities. Such an approach would utilize such specialists as pediatricians, neurologists, speech and hearing specialists, diagnostic teachers, opthalmologists and optometrists, and others.

The thrust of current research, and current educational practice is toward an emphasis on identifying needs, and working toward remediation of those specific needs, rather than pinning a label on a child. This is due to recognition of the fact that present means of identification are inadequate, that some children represent multi-handicaps, and that each child is an individual who represents unique needs, and so needs a highly individualized approach. It might be noted here that the U.S. Office of Education last year announced, as one of its priorities, programs for the handicapped, with a stress on needs rather than labels.

In addition to diagonstic needs, physical development programs, which such mental health centers as those just mentioned, could provide, are desperately needed. Most of these children are handicapped, if not by problems in fine and gross motor coordination, then by difficulties of balance or inability to maintain equilibrium relative to gravity. Achieving adequate balance is essential to the more complex skills of many sports, such as throwing and catching a ball. At the present time, physical education programs in the public schools are not geared to helping these children. The personnel employed in such programs are not trained to meet these needs, and the result is that the children, if they are not totally excluded from the program, in this area, as in others, experience failure. The idea of regional residential summer camps with trained personnel deserves particular consideration, since they would not only help the children to develop to their fullest potential physically, but would provide valuable socialization opportunities.

Since the substantial handicapped child will not be able to function in a regular educational program, vocational programs realistically geared toward helping them to enter society as taxpayers rather than becoming tax burdens, need to be developed. Vocational programs do exist in the public schools, but for the most part, they are implemented in such a way that they require a higher level of functioning than these children can achieve. For instance, the above mentioned problems in fine and gross motor coordination present difficulties, not only in reading and writing, but in doing work which requires great coordination, such as would be needed to become an automobile mechanic, or an operator of complicated machines.

These individuals enter adolescence with an inability, due to their handicap, to generalize from experience. This means that the child is unaware of the impact which he has on others, and this in turn leads to a lowered self-concept (already lowered by repeated failure), and a lack of friends. Counseling help is desperately needed by these adolescents in order to help them learn to relate and to get along with others—in other words, to socialize. This is important in relation to obtaining a job and keeping it, as well as functioning in school and social life.

What will be the cost to society of not providing for these individuals' needs? The cost to society of ignoring these problems may well be enormous, both in monetary terms and human resources. The need for a priority on meeting the global needs of these children now that they have been recognized can no longer be denied. Research tells us that the great majority of these children do possess the capacity to enter society as functioning responsible adults. But help is needed, and the time is now.

In summary, we are asking for 1) renewal of S. 427, with 2) the revised definition, and 3) the recognition that some of our children need the help which this Act would provide.

SATELLITES SPOT FISH AND MINERALS

Mr. MOSS. Mr. President, one of the basic mandates of our U.S. space program is to make the benefits available to all mankind. This mission to share our research and our technology with others has been continuously fulfilled in many ways. An article of February 10 by Don Shannon in the Los Angeles Times identifies just one more such activity as it describes the United Nations programs studying information obtained from the Earth Resources Technology Satellite—ERTS–1—space platform launched by NASA in July of 1972. I ask unanimous consent that this informative article be printed in the RECORD.

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

U.N. STUDIES SATELLITES—THEY EVEN SPOT FISH

(By Don Shannon)

UNITED NATIONS.—A 23-nation working group on "remote sensing of the earth by satellite" reported Friday a list of successful uses of space observation ranging from the mapping of minerals to the locating of fish.

The group concluded after a 10-day session that observation from space will "very seldom be a single source of information and data for planning purposes" but will probably serve mostly in conjunction with ground-based methods.

Among the demonstrated practical uses of satellites listed was the identification of soil types, vegetation and trees—an application which has already been put to work in surveys of the Mekong River Basin, where a U.N.-sponsored project is under way.

ACCURATE MAPS

Other accomplishments of U.S. and Soviet satellite programs have been the charting of geological features associated with mineral deposits and the production of highly accurate" maps in areas poorly or incompletely mapped by conventional methods.

The group suggested that satellites may eventually be able to detect underground water and record snowfalls when observations can be made on a permanent basis. Valuable information about the oceans has already been obtained but is still incomplete, the group said.

"Chlorophyll, which is usually associated with the presence of fish, can be detected from space but not to the levels low enough to be significant for fisheries," the report said. "Observation of waste dumping has been demonstrated but the periodicity of such observation for practical monitoring purposes is still inadequate."

PRIORITY RESEARCH

The report urged priority research to develop methods to measure carbon dioxide and ozone in the atmosphere so that satellites can monitor air pollution. A proposal for putting an automatic system on the moon to monitor the earth's atmosphere was mentioned.

Operational remote sensing from space is still needed, the group said, defining this as "service on a continuous and permanent basis, coupled with a commitment by interested users to use such a service on the same basis."

Data until now has come largely from the Earth Resources Technology Satellite (ERTS) I space platform launched by the United States last July. It orbits the earth every 100 minutes at an altitude of 560 miles.

SOVIET PLATFORMS

The older U.S. Nimbus satellite is primarily for meteorological observation. The Soviet manned space platforms, Soyuz and Salut, were also cited as having provided "promising" results during their periods of operation.

Postponement by the United States of the launching of a second ERTS until 1976 and lack of earlier plans by other nations were cited by the group in estimating that "operational" remote sensing is unlikely before 1980.

Alan Shepard and Stu Roosa had flown their own planes here and were in the air holding over the Hughes Terminal for over 20 minutes until all the school buses arrived. No kid was going to be left out of this adventure and this is what made my day at the side of Ed Mitchell so thrilling and memorable.

Maybe that is the left-over child in a middle aged man just as Alan Shepard's golf shot on the moon or Ed Mitchell's ESP experiments on Apollo 14's nine-day mission.

When two tiny specks finally showed on the horizon Ed Mitchell told the crowd his partners in moon flight were 90 seconds away and to the second, they landed to cheers and handclapping from the kids assembled to greet them.

Childhood is an adventurous time of life and the appeal of the unknown, the mysterious and exotic was mirrored in the faces of the youngsters as they watched the astronauts.

Here were three men they could idolize for good cause. They represented everything that is thrilling to a child . . . adventure, courage and excitement. They had spanned the miles to the moon and two of them had walked on its surface. They had traveled far and fast. They are the Magellans, the Columbus', the Marco Polos, Kit Carson, Lindbergh and Admiral Byrd all rolled into man's most exhilarating adventure into a last frontier—the universe.

Dressed in ordinary suits they hardly seemed as giant as they do in their space garb. But after talking and visiting with them there is instant recognition that these are good men, brave men and what is even more important, men just like us.

That fact has a lot of implication at a time when it is stylish to put down the human race as hopeless, confused and dwarfed in comparison to the great heroes of the past. Still, I think Christopher Columbus got just as big a thrill out of leading his voyage after disappointment and frustration as Alan Shepard did coming back to pass his physicals and qualify to lead the Apollo 14 mission. He did more for middle aged Americans than even he might realize.

FARM PRICES

Mr. TAFT. Mr. President, Secretary of Agriculture Earl L. Butz did the country a real service yesterday. At the annual Agricultural Outlook Conference at the Department of Agriculture he criticized the tendency of some people, and some members of the urban press, to "annualize" monthly changes in farm prices.

Last Friday morning in a front page article in the Washington Post, the newspaper wrote about a 4.8-percent rise in the January wholesale farm price index as being "at an annual rate of 57.6 percent"—as if that kind of statistics had any validity.

Secretary Butz, is an able economist himself, having headed up the Agricultural Economics Department at Purdue University, one of the outstanding agricultural economics departments in the Nation. Furthermore, the economics work of the Department of Agriculture is headed up by Dr. Don Paarlberg, who was at one time economics adviser to President Eisenhower.

These gentlemen can point out very well the folly of "annualizing" 1-month changes in farm prices. At the outlook conference yesterday Secretary Butz pointed out that farm prices—unlike most retail prices—fluctuate widely from month to month due to weather and seasonal factors. This, I am sorry to say, is not very well understood by urban people, and when the press, unwittingly I am sure, "annualizes" these monthly changes in farm prices they do a disservice to a better understanding of agriculture on the part of urban people.

Secretary Butz pointed out that the Department of Agriculture economists predicted yesterday that retail food prices probably would rise about 6 percent in 1973. The staff of able economists had warned him that they would not be surprised, however, if the January Consumer Price Index, which is due out this week, would show a rise of 2 to 3 percent for the month of January.

Further addressing the point that some of the press tends to "annualize," changes in farm and food prices, which are volatile and which vary widely from month to month, Secretary Butz went on to say that some of the press probably would annualize the Consumer Price Index figures this week as a "24- to 36-percent annual increase."

The point that Secretary Butz was making was sound and it is high time that an able agricultural leader and economist such as Secretary Butz brought this to attention of the press and the Nation.

We are now at a time in our history when fewer than 5 percent of our population are engaged in agriculture. They feed us all better than any other people in the world, at the lowest percentage of our take home pay than anywhere else. Our farmers are increasing their productivity at twice the rate of increases per man-hour in industry. Farm food output in 1972, and right now, is the highest in history.

Consumers need to know that no economic group has done more than farmers to keep down the inflationary cost rise in this country. It is the enormous economic demand that is exerting an upward pressure on food prices. That kind of demand is the result of a growing, healthy economy; and the result of people with good paying jobs working to bring home a paycheck.

This is a sign of a strong economic situation. In 1972, the Nation's consumers received their food in unprecedented quantity and quality, with unprecedented services built into it, and after more meals than ever were eaten out of the home where the service costs more than the food. Consumers were able to get this food for about 15.7 percent of their take home pay. And in 1973, even with a 6-percent increase in retail food prices—which, by the way, includes the costs of marketing, which account for 60 percent of what people pay for food—consumers will still get their food in 1973 for a lesser percent of their take home pay than in 1972.

At this point, I would like to include in the RECORD a copy of a press release from the Department of Agriculture which further explains the remarks made by Secretary of Agriculture Butz yesterday.

I am also inserting in the RECORD the front-page article from the Washington Post of Friday, February 16, 1973, which in one article "annualizes" monthly changes eight different times. I ask unanimous consent to have the release and article printed in the RECORD.

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

BUTZ SAYS FOOD PRICE STORY DISTORTED

WASHINGTON, February 20.—"Consumers are being misled about farm prices by big city newspapers and the urban press," Secretary of Agriculture Earl L. Butz said today.

"During the last two months we had seasonal winter-time rises in farm prices, largely due to weather and transportation shortages. Newspapers and press stories have blown these seasonal monthly rises into preposterous annual increases. For instance, a 4.8 percent rise in wholesale farm prices in January was treated by the urban press as if there would be a 57.6 percent rise in wholesale farm prices over the next year," Secretary Butz explained.

"That use of statistics is like saying that if you have a cold this week it is at the annual rate of 52 colds a year. This kind of arithmetic is preposterous, and the urban newspapers ought to know better," Secretary Butz commented.

"The newspapers who write about a 57.6 percent annual increase in wholesale farm prices ought to get out beyond the city limits and learn the facts of life about volatile farm prices," Secretary Butz suggested. "They will find that farm prices—unlike most retail prices—fluctuate widely from month to month, season to season, and year to year.

"This week the Department of Agriculture is predicting that consumer food prices will increase about 6 percent in 1973, some of which has already occurred. That price rise includes the increases in processing and retailing costs," which account for 60 percent of total food costs," Secretary Butz explained. "Still, I suppose that if retail food prices go up 2 or 3 percent in some month due to seasonal factors some reporter will write that this is a 24 or 36 percent annual increase. Reporters have a responsibility to be realistic and editors have a responsibility to edit with a little horse sense," Secretary Butz concluded.

[From the Washington Post, Feb. 16, 1973]

FARM PRICES LEAD 1.1 PERCENT RISE IN JANUARY WHOLESALE PRICES

(By James L. Rowe, Jr.)

Wholesale prices, paced by farm product prices, rose 1.1 percent on an adjusted basis last month. That would work out to a yearly rate of 13.2 per cent.

Prices of farm products climbed 4.8 per cent, or at an annual rate of 57.6 per cent, compared with an annual rate of 68.4 per cent in December—which was a 26-year record.

The wholesale price index, which is a precursor of consumer prices, stood at 124.5 per cent of its 1967 average and 7.1 per cent higher than a year ago, the Bureau of Labor Statistics reported yesterday.

The large December increase in farm prices has begun to show up at the supermarket. The Labor Department said yesterday that the food component of its product group known as consumer finished goods—bascially the food purchased at supermarkets—increased 3.3 per cent last month, an annual rate of 39.6 per cent. Labor Department officials said that it was the highest rise in this index in 22 years.

The January rise in the wholesale price index was slower than December's 1.6 per cent increase, a 19.2 per cent annual rate, but well above the 6.5 per cent increase in the index for all of 1972. In 1972, the consumer price index rose 3.4 per cent.

In January, 1972, wholesale prices rose 0.4 per cent, or an anual rate of 4.8 per cent.

The January index is expected to add fuel to critics of the President's new "self-administered" economic controls system. Congressional critics of Phase III, including Sen. William Proxmire (D-Wisc.), have called for a much tougher mechanism than the President now has in effect.

The Senate Banking Committee just completed hearings on the President's request to extend his authority to impose wage and price restraints beyond April 30—when that authority expires—and Patman, chairman of the House Banking and Currency Committee, announced that his committee would wait to take up the request until more evidence on Phase III is in.

The data used to compile the January wholesale price index were gathered before the Phase III controls were put into effect on Jan. 11.

Officials for the Cost of Living Council said they were concerned by the January price increases and said they expected to continue to have "trouble" with farm prices for the next few months.

The administration has announced a variety of stops to increase food supplies this year in an attempt to stabilize price increases. But, as a Treasury official noted, the steps are more intermediate or long term and will be felt in 6 to 12 months, not immediately.

The official said that consumer food prices will continue to rise for the next few months, as the wholesale price increases work their way through the system.

But he pointed to other wholesale prices, such as industrial commodities. These increased 0.3 per cent in January for an annual rate of 3.6 per cent in January, for an annual rate of 3.6 per cent. The Treasury official said that performance was "acceptable" though administration officials hope industrial prices will slow further.

The President has set a goal of slowing price increases to a rate of 2.5 per cent by the end of this year.

Farm products, which caused most of the increase in the wholesale price index, account for 11.6 per cent of the total index. Processed foods and feeds, which rose 1.7 per cent last month, make up 17.2 per cent of the index, and industrial commodities account for 71.2 per cent.

Consumer finished goods, excluding food, rose 0.3 per cent, or at a 3.6 per cent annual rate, in the January index.

The consumer price index for January will be released next week.

TESTIMONY OF WILLARD WIRTZ BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, last week, the Honorable Willard Wirtz, former Secretary of Labor and now president of the Manpower Institution, testified before the Joint Economic Committee.

Mr. Wirtz' testimony is especially

instructive because it represents, I believe, the best of idealism, the best of innovation, and the best of practicality.

Mr. Wirtz examines the President's new budget with a critical eye. He notes:

One question is whether the President will succeed in what is an obvious effort to subordinate the issue of national priorities to the question of our over-all capacity—so that his priorities will prevail.

The point that Mr. Wirtz makes is telling: And, the challenge he possesses is equally telling:

Whether those of us who believe in a different order of priorities from the President's will respond to his essential negativism—about what we can't do—with equally tough-minded but bold and new initiative regarding what we can and want to do.

Willard Wirtz sums up the President's budget and his budget cuts in one word: "Disgraceful." That echoes the thought of many of us here on Capitol Hill and around the country.

Yet, Wirtz is not content to be the critic. He is also the proposer. He suggests, for example, that the United States develop new measures of employment and unemployment, that we proceed with a sound public service program, that we concentrate on counseling and guidance, and that we begin to face rationally technological displacement.

Mr. President, I have found Mr. Wirtz' testimony to be exceptionally creative and challenging. I commend it to the Senate. I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT BY WILLARD WIRTZ

Mr. Chairman, and Members of the Joint Committee: you have requested my brief comment on the implications of the President's Budget Message and Economic Message, particularly so far as the national "manpower policy" is concerned.

The short of it is that the President proposes that the present "manpower" programs be cut back by about a third (approximately $1.4 billion in appropriation terms) on the ground that this is necessary to stay within the over-all ceiling he has set and because only four million people will be left unemployed by the end of the year anyway.

These Messages seem to me to present two basic questions, both reflected clearly in the manpower proposals:

One question is whether the President will succeed in what is an obvious effort to subordinate the issues of national priorities to the question of our over-all capacity—so that his priorities will prevail.

The President proposes to lead by saying what we can't do as a Nation. What he is really saying is that we shouldn't, as a matter of policy and choice, move ahead in the areas of social concern. The issue is the same as it was when those who opposed social advance first condemned it as "communism," and then turned to the argument that it couldn't be made because there were wars to be fought and paid for first. Only the strategy has shifted: to the effort now to so concentrate attention on costs . . ., taxes . . . that there will be no recognition of values; to such emphasis on the price of the whole that there won't be consideration of the worth of any of its parts.

It seems right to me that the budget processes of the Congress should provide a self-imposed limitation on the total of the funds appropriated for a particular year. Within whatever that over-all limitation may be, however, the vital questions of priorities will remain: whether the long awaited "peace dividend" is to be plowed back now into the military establishment (as the President proposes) or whether it is to go to improving the common lot; and how much of the bill for whatever we decide to do is to be charged to those who can afford to pay it and how much to those who cannot. I assume that in the days and weeks ahead the Congress will draw on its mandate to re-assert these issues of the priorities of our national purpose and the allocation of fiscal responsibility.

The second question is whether those of us who believe in a different order of priorities from the President's will respond to his essential negativism—about what we can't do—with an equally tough-minded but bold and new initiative regarding what we can and want to do.

A strong defense isn't worth a nickel in today's politics, especially in the play-offs—which is where we are now. I draw on an expired license to recognize that "liberalism's" old agenda got adopted without our coming up with an enlightened but reliable new map of the horizons or even the frontiers of current and prospective human purpose. What used to be "liberalism," with enough excitement of promise and hope in it to carry the day, has become so commonplace (and made so many more people substantial taxpayers) that you think of Bret Harte's observing that no one will give up his life to defend a boarding house. Neither will he, or she, pay higher taxes to support yesterday's idea of a great society. The only thing that will work, or should, is a *new* Idealism.

So, recognizing this Committee's particularly designated concern in the "economics" of all this, I want to try to suggest—after summarizing the effect of these Messages in the present manpower programs—the broader policy they seem to me only prelude to; with the thought that it is the economics of our *purpose* that is most important.

* * * * *

The President's Budget Message actually says comparatively little of manpower policies and programs as such. There is a general reference to proposed 1974 outlays of $12 billion "for education and manpower, including those for veterans," and another to "revenue sharing" of $1.3 billion for "manpower training." It is stated that the 1974 budget provides for "continued emphasis on training disadvantaged veterans" and for "an increase in the work incentive program to help welfare recipients get jobs." The only direct suggestion on the face of the Budget Message of any intended cutback of present manpower programs is the mention of a proposed "phasedown of the temporary Emergency Employment Assistance program," but this is accompanied by the sedative assurance that this will be "consistent with the increase of new jobs in the private sector." In the context of some 22 references in the first section of the "message to full employment," this all appears to offer reasonable assurance that at least on this front, "human resource" priorities are to be adequately recognized.

The fine, but operative, print tells a drastically different story.

There is a question of what should be considered "manpower" programs. There is, depending on what combination of programs is taken, a proposed reduction of recommended appropriations here of between $1.25 billion and $1.5 billion. This would be, taking the grouping of programs most commonly considered "manpower training" programs, from a FY 1973 level of $3.7 billion to a recommended $2.3 billion for FY 1974.

The largest item in this cut—referred to in the Budget Message as a "phasedown"—involves what is in fact the proposed total elimination of the public employment (or Emergency Employment Assistance) program, for which the 1973 budget authorization was $1.25 billion. Under this program State and local governments have received Federal funds permitting their providing jobs to some 150,000 men and women. The proposal is that this program be continued for several months, while previously appropriated funds last, then cut out entirely. The principal explanations for this are that the State and local governments are better off than they used to be and that, according to the Economic Report, unemployment will go down to 4.5% by the end of 1973. (This would mean 4 million people out of work.)

Depending on what other items are included, the cut (in addition to the 100% reduction in the EEAA) is about 15% in the rest of the manpower program.

No appropriation is proposed, at least specifically, for the summer youth employment program, under which more than 500,000 boys and girls have been given work opportunities each year.

The President recommends a cut in manpower research and development funds from $32 million for FY 1973 to $20 million for FY 1974, and a reduction for evaluation from $7 million to $6 million.

It is illustrative that despite the Congress' enactment of P.L. 92–540 last October, with its provision (among others) for establishing Veterans' Employment Representatives in each State—and despite the repeated references in the President's Message to veterans' special equities—the Budget proposes no appropriation for these positions.

As nearly as I can follow the arithmetic of the proposed Budget, the total which the President proposes for "revenue sharing" for manpower programs in Fiscal Year 1974 is $1.3 billion. This would be $230 million (15%) *less* than the funds which were originally proposed for these same programs for 1973.

The surest test of the inner quality of a budget is to check to see whether anybody thought of that special constituency we call "the handicapped," those whom nature or accident or sickness or war have put at physical or mental disadvantage.

They were not overlooked this time.

Three programs under the Vocational Rehabilitation Act, affecting particularly the rehabilitation facilities program are marked for cuts—of, respectively (comparing FY 1974 appropriations with those for FY 1972; the 1973 figures are complicated), 22% 31%, and 100%. Senator Cranston and Congressman Brademas and others have been pressing strongly against this course of action (of which these particular cuts are only the most recent part). Senator Cranston, presiding last week at hearings before the Sub-Committee on the Handicapped, and referring to the proposed reductions of $30 million for FY 1974 in the Vocational Rehabilitation innovation and expansion grants and research and training grants budgets (compared with FY 1973 original request figures) summed it all up in one word: "Disgraceful."

The always gnawing sense that our talk about billions, or even millions, of dollars is actually beyond our real comprehension prompted my checking—with the people at Goodwill Industries—to see whether all of this will really make much difference. It already has. It drives home the real effect of this proposed carving that the State rehabilitation agencies in three States—with more almost certainly coming—have in the past few days advised the Goodwill Industries offices that no more handicapped people will be referred to them now because the President's budget proposal indicates that the accompanying support funds won't be forthcoming.

Add the fact—important only for what it reflects—that the budget proposal is that two staff positions be cut from the President's Committee on Employment of the Handicapped.

Proposed outlays by the Office of Education for education of the handicapped have been cut.

It is proposed that there be no new starts under the Community Mental Health Center program.

You wonder just what kind of budget it is we are balancing.

* * * * *

There are two necessary bases for evaluating these proposals: in terms of the worth of each program in itself, and in comparative terms.

The most objective evidence I can find is that the present manpower programs have proven a good investment—increasingly well administered and increasingly effective.

I know of material improvements made in the office of Secretary of Labor.

It is relevant that the present Administration has thought highly enough of these programs to enlarge them substantially beyond what they were in 1968.

The Joint Committee has before it the excellent Staff Study prepared for its Subcommittee on Fiscal Policy (Paper No. 3; November 20, 1972) regarding The Effectiveness of Manpower Training Programs. I would agree with the conclusions of that report: that preliminary evaluations of these programs show "relatively large internal social rates of return," that most of them much more than pay for themselves; but that a number of significant changes are indicated by these preliminary evaluations; and that there should be a good deal more careful appraisal made. The recent report by the National Manpower Policy Task Force, is to similar effect, suggesting certain changes in these programs but giving them what are in general high marks for "substantial increases in employability and income for enrollees."

There would be general agreement, I think, that the first two years' experience with the manpower programs commends strongly that certain changes be made—particularly in connection with the distribution of administrative responsibility for them and with their still unmet identity crisis, whether they are to be training or employment or income maintenance programs. But I had thought, until two weeks ago, that there was general recognition that unemployment is one kind of waste we cannot afford to accept; that reducing unemployment means increased government revenues; and that one necessary way to move toward full employment—by whatever definition—with the least inflationary effect is to reduce "structural" unemployment, to improve the training of people for jobs that need doing. I still think these things are true—and that the President's proposed slashing of these programs—instead of insisting that improvements be made in them—is wrong . . . in his own dollars-and-cents terms.

There had also appeared to be, until two weeks ago, general and widely expressed concurrence that in terms of comparative priorities the allocation of between one and two percent of a national budget of over $250 billion to these "manpower" purposes represents less than minimal recognition of their comparative importance. To suggest cutting these programs—but increasing military procurement expenditures and leaving six loopholes—seems to me bad business, misguided government, misplaced human concern.

This priorities issue, assuming any given over-all budget figure, whether it is right to cut the manpower programs by over $1 billion when that same amount could be saved by closing the tax loopholes which are provided by the oil depletion allowance, the "fast depreciation" advantage given the owners of certain types of buildings, and the capital gains shelter provided for timbering operations. This seems to me not right, but wrong.

The issue is whether it is right to propose not to fund the Veteran Employment Representatives positions just established by the Congress, but to maintain the number of Generals and Admirals in the Army and Navy at World War II levels even though the troop strength has been cut by 80%. That isn't right.

The issue is whether it is right to put 150,000 disadvantaged men and women out of their jobs under the public employment program, and 500,000 boys and girls out of their summer employment, and handicapped people out of their places with Goodwill Industries when three times the cost involved could be saved by conservative reductions in military procurement. That is wrong.

The issue is priorities.

* * * * *

Returning now to the point that even if all of this is so, the case for preserving . . . and improving . . . the position of manpower programs on the agenda of national priorities will depend on revitalizing present policies with new and greatly enlarged purpose:

The debate may, from present indications, center on the public employment program. I would urge strongly the renewal and expansion of this program—along the new lines Senator Humphrey and Congressman Reuss and others are advocating.

But winning that particular point alone won't be enough. It will be necessary to mark out bold new frontiers of immediate purpose, and beyond that the horizons of eventual hope, for a manpower policy.

This isn't the place and there isn't the time here for detailed programming of a new Idealism in manpower policy; but I have a few suggestions.

The place to start is by making it clear that full employment means what it says, and by establishing new methods of measuring employment and unemployment. For we do whatever we measure.

Instead of claiming a foul in the President's use of "full employment," it would be better to say: "All right, Mr. President, you have adopted the phrase. Now let's live up to it. We don't mean by 'full employment' the four or five percent unemployment your economic advisers say is necessary to avoid inflationary pressures. We are opposed to inflation, but we mean to take care of that in other ways than by pushing the bottom two million people into the street. We mean by 'full employment' what Senator Proxmire said so simply and rightly at this Committee's hearings last October: 'a decent job for everyone who is willing to work.'

"We know that in an economy changing as fast as this one is, two or three people out of every hundred will at any particular time be moving from one job to another, or finding their first job. We got down close to that minimal level—to 3.3%—in 1968. We can do it again—whenever we make up our minds to, and put full employment in the first place instead of someplace else on down the line."

We need new measurements, going beyond what we have been calling "employment" and "unemployment" and designed particularly to provide the architects and administrators of both manpower and education-manpower policy with more information about the where's and who's and why's of people being out of work, out of school, out of kilter one way or another.

One aspect of this need is emphasized in the recent succinct and invaluable report of Senator Nelson's staff study for the Employment, Manpower, and Poverty Sub-Committee, which redirects attention—as we tried to in the Department of Labor in 1966—to the implications of a "sub-employment" which persists in particular identifiable areas at a rate far in excess of the "unemployment" rate.

Then suppose we were to start trying to determine the rate of non-use or under-use of the whole human potential for productive, creative, or service activity. Without pressing the point, there is obviously a good deal more which can and should be done in the development of "social indicators." Knowing and respecting the differences of viewpoint within the Joint Economic Committee on the proposed Full Opportunity and National Goals and Priorities Act (S. 5; introduced by Senator Mondale and cosponsored by Senator Javits), regarding particularly the establishment of a Council of Social Advisers, I express the strong personal persuasion that such legislation is of vital importance and should, in some form, be enacted.

We aren't measuring today, in the area affected by manpower policy, all we should and could be finding out—especially about our potential.

In a more programmatic sense, I mention really only by way of illustration two specific frontiers of manpower policy:

Over a quarter of our unemployment, as we now describe and measure it, is in the 16-to-19 year age group. The unemployment rate in this group is about 15%, and almost twice that among those who are both young and black. This is an inexcusable disgrace. No other comparable country suffers anything like it. It is a form of infantile paralysis, leaving lifetime debilities.

The Administration's proposal to meet this situation by establishing a lower minimum wage for younger workers is the emptiest gesture. It is wrong. It wouldn't work. It won't pass.

We have to get at the real nature and at the causes of "youth unemployment."

We probably make a serious initial mistake, which affects all of our thinking about it, by putting these young people down in the book as simply "unemployed"—out of work. In a good many cases, although not all, the more significant fact is that they are out of school—without the preparation they need for jobs which machines can't do better. This is a special "transition problem," but with roots reaching down into the educational system, and still deeper down into the environmental circumstances of a good many of those boys and girls.

We need an "education-manpower" policy.

The administration of such a policy would start most immediately—for the needs and opportunities are largest here—by setting up a vastly more extensive counseling and guidance and placement program—to provide at least as much assistance of this kind for young men and women who leave high school to go to work as we provide those who are going on to college. We are developing plans at The Manpower Institute for what we are calling Career Information Boards—largely privately supported and administered in significant part by volunteers. But if we were willing to spend $100 per young person—age 16-to-19 and out of work and out of school—just to give that boy or girl the guidance he or she needs to get into one or the other we would get every cent returned to us in reduced costs of juvenile delinquency. We could pay the cost in the meantime by closing up just the tax loophole we now provide those who make capital gains on timbering operations.

The "work-study," "cooperative education" and community college programs warrant close attention and broader support.

Part of the holding in *Serrano* v. *Priest* and other cases like it is that equality of work opportunity traces directly to equality of educational opportunity.

Assistant HEW Secretary Sidney P. Mar-

land's proposal for "career education" illuminates a vital dimension of what ought to be an "education-manpower policy."

This country will be willing to do whatever it takes to stop the present incalculable drain on our resources, our finances and our morals, of a million teen-agers adrift. And they are not just "unemployed."

Another frontier of manpower policy involves recognizing fully—as we have only a little so far—the basic importance to manpower policy . . . and to unemployment . . . of the ceaseless competition between people and machines. You think of Thorstein Veblen's prescient reminder, eighty years ago now, that the free society's most serious testing will be in the handling of the "potentially suicidal stresses between scientific invention and the human purpose."

I hazard the guess—yet really without hazard, for we don't keep these figures—that half of the adult unemployment in this country is traceable either directly or indirectly to technological displacement or the development of new processes.

There is even less basis—but similar immunity from disproof—for the estimate that between three and five million people whom we list as "employed" are doing and being paid for work . . . or time . . . which is useless both to their employers and to themselves. They hold sinecures, as the alternative to being unemployed. The price is inestimable. It was one, although only one, of the factors which bankrupted the Penn Central. It caused last week's strike there. Its cost is probably largest in its corruption of whatever the "work ethic" ought to mean—and I'm not talking Puritanism.

This issue of how to deal with technological displacement has caused more "national emergency labor disputes" in this country in the past fifteen years than any other issue, including wages. Collective bargaining isn't, by its nature, able to cope at all fully with this issue. New technology means, in my understanding of it, more—not fewer—jobs, at least at the present stage of things. But the new jobs are often in other plants, belonging to other companies, often in other industries—not within the jurisdiction of the company and union representatives at a particular collective bargaining table where the question of the displacement of a particular person by a particular machine comes up. So those bargainors either don't meet the problem or they come up with answers which are usually wrong, or only half right.

This problem must be met, at least in part, by the community as a whole.

If change, which is in the public interest, requires taking a person's job, he or she is as fully entitled to compensation for it as when change involving the public's need for a new school or highway requires taking somebody's property. We should extend the principle of "eminent domain" to jobs.

The practical form of this is probably to provide fully paid leaves of absence—from the work force—to anybody about to be replaced by a robot; so that he or she could take a year or two, or whatever is required, of training for some other kind of work. This should be at full pay—to come partly out of the employer's increased profit from that new machine (half, perhaps, of the special tax advantage we give him for buying it) and partly out of the unemployment insurance fund. Visionary? Fine. Impractical? West Germany has had a similar leave-of-absence law for four years now, and it is reportedly working well.

Then we might go on (unless this is "chauvinism") to provide free education for every mother when she reaches forty or when her youngest child goes off to school; so she can catch up with what has happened while she was so busy and can get ready again for something else. Then we could move on from there, to consider sabbaticals for everybody in the work force—or perhaps first a two-year refresher course at age 60 or 65: in rejection of habit's absurdity of treating retirement—"the best for which the rest was made"—or "leisure" more generally, as an unskilled occupation.

The most significant recent document in the manpower policy area is Work in America, a report just issued (apparently having been held up until after the election) on a study made by the W. E. Upjohn Institute for the Department of Health, Education and Welfare. Emphasizing the human values in Work, it will take its place besides the Club of Rome's Limits to Growth (which I find less persuasive), the National Urban Coalition's Counterbudget) and Christopher Jenck's Inequality as a mind stretcher important to our shifting our thinking about the ultimate priorities—which are those between the individual and the system.

We got a fleeting glimpse of this last Fall when Senator Mansfield and Senator Aiken proposed a Human Resources Depletion Allowance—to provide aging human beings with a tax exemption of up to 23%, which they identified—with what must have been wryness—as one percent more than the oil well depletion allowance.

Someplace along the line—sooner now than we realize—we will identify the elements of a "manpower" policy which will mock the baptismal blunder we made ten years ago when we gave it that title. For the dictionary defines "manpower" as "a unit of energy generally considered equivalent to $\frac{1}{10}$ horsepower." We will redefine "manpower" to mean the power that lies within every human being—and the purpose of manpower policy as being to provide full opportunity for every individual's making the highest and best use of the life experience. And we will probably throw away the "manpower" phrase—as deriving too directly from "horsepower"—and substitute for it, as the President virtually has already, "human resources." We'll stop talking about the "labor market."

We have recognized fully and traditionally the importance of Labor as an element of production—essential to the system.

We are only beginning to recognize the importance of work as a human value—essential to wholeness of the individual.

Yes, I commend to the Committee the recognition of the present manpower programs as being wise and already high yield investments. I think it would be a tragic mistake to cut them back. I think, at the same time, that they should as a matter of policy, and can as a matter of practical politics, be preserved and enlarged only as they are imbued with new initiative, yes, with a new Idealism—not apologetic or timid, but proud of itself and confident that it is the authentic American spirit.

So I make as strongly as I can the case for evaluating present manpower policies and programs, proposing new ones, by checking the stars of our reasonable purpose instead of by using lanterns to try to light the path immediately ahead.

We are all taxpayers. But most of us are taxpayers only second, and citizens . . . of each other . . . first—no less so in time of peace than in time of war. We need and will respond to a leadership which summons and draws upon the courage of our deeper convictions and our desire to do, together . . . for ourselves and each other . . . all we can do, and to be all we can be.

This Committee, and the Congress, will know—as it considers these "economc" questions—that both behind and beyond them is the critical truth that a working majority of people in this country still care greatly.

Else we would be nothing.

PRAYERS FOR CONGRESS BY THE LATE DAVID LAWRENCE

Mr. THURMOND. Mr. President, one of the last columns authored by the late and distinguished journalist, David Lawrence, took note of the fact that Congress has allowed prayer sessions to be limited in the public schools while continuing them in public institutions such as the U.S. Congress and House of Representatives.

Certainly, there is justification for allowing voluntary prayer meetings in the Senate and House and there should be no legal hurdles for students who wish to do the same in elementary, junior, and senior high schools.

Mr. President, I ask unanimous consent that this editorial which appeared in the February 9, 1973, issue of the Augusta Chronicle newspaper in Augusta, Ga., be printed in the RECORD.

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

PRAYERS FOR CONGRESS, NOT FOR PUPILS

(By David Lawrence)

For several years there has been a controversy about prayers in the public schools. It has been definitely ruled by the Supreme Court that no governmental body can prescribe prayers. The effort now, therefore, is to obtain for students the privilege to have voluntary-prayer services conducted by themselves at a recess permitted for the purpose.

The argument against prayer in schools has been that there must be a separation of Church and state, as provided by the Constitution, and that there can be no involvement of government in religious matters. But people in governmental agencies today hold their own sessions of prayer. Members of the House of Representatives have a prayer breakfast each week, and so do senators. Participation is voluntary.

Just a few days ago the President of the United States attended the 21st annual National Prayer Breakfast in Washington. The guests included not only members of Congress but officials from other parts of the government.

Mr. Nixon made a brief address about peace inside and outside our country. He referred to the recent agreement to end the Vietnam War, and declared:

"It will mean peace only to the extent that both sides and the leaders of both sides have the will to keep the agreement. . . .

"We will keep the agreement. We expect others to keep the agreement. That is the way peace can be kept abroad. Only, in other words, by the will of the individuals involved—and you must change the man or you must change the woman if the agreement is to be kept.

"And so it is at home. We are concerned about conflict at home. We are concerned, for example, about the problems that divide us. They talk about the divisions between the generations, divisions between the races, the divisions between the religions in the country—and we have them.

"So we can legislate about some of those divisions. For example, we pass laws, laws providing and guaranteeing rights to equal opportunity. But there is no law that can legislate compassion. There is no law that can legislate understanding. There is no law that can legislate an end to prejudice. That only comes by changing the man and changing the woman. That is what all religion is about, however we may worship."

The President closed with the plea that, abroad and at home, our prayer should be:

"Let there be peace on earth and let it

begin with each and every one of us in his own heart."

Mr. Nixon recalled the first national prayer breakfast in 1953, when President Eisenhower made the principal address, and that he himself had met with the House Prayer Breakfast group and later with the Senate group.

Prayer breakfasts have been established throughout this country in federal and state government offices and also among businessmen and other groups in cities. The movement has spread to many foreign capitals. The concept is one of services which are not in any way connected with a particular church or organization. The meetings are informal and are devoted to recitation of prayers and short talks and discussions of the relations of individuals to one another in modern life.

The Constitution says that "Church and state" shall be separate, and certainly the Prayer-Breakfast movement throughout the United States in the last 25 years has adhered to that doctrine. But members of various governmental agencies attend regular prayer breakfast sessions once a week at which individual life and the lessons derived from religious principles are analyzed. These meetings have a profound effect on the persons who participate in them and on their everyday relations with their colleagues and friends.

The Prayer Breakfast movement has won widespread approval because it is nondenominational. It seeks solely to stimulate the thinking of individuals as they face the problems that arise not only in their own field but in the communities where decisions have to be made each day that affect many other citizens.

It might well be wondered, if members of the House and Senate can participate regularly in such gatherings once a week in government buildings just before their official proceedings begin, just why students in elementary schools or high schools couldn't organize similar prayer meetings without legal objection.

DISASTER AREAS IN SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, on behalf of Senator THURMOND and myself, I bring to the attention of the Senate a concurrent resolution passed by the South Carolina General Assembly on February 16, 1973.

The South Carolina General Assembly passed a concurrent resolution memorializing the President of the United States to declare 32 counties in South Carolina as disaster areas due to the recent unprecedented snowfall.

Senator THURMOND and I have done all we can to encourage the President on this matter. Having inspected several counties I found this major snow and ice storm had left the State in a genuine emergency condition.

On behalf of Senator THURMOND and myself, I ask unanimous consent that the concurrent resolution be printed in the RECORD.

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

A CONCURRENT RESOLUTION

Whereas, a thirty-two county area in eastern and southern South Carolina was smitten by a record snowfall which commenced on Friday, February ninth, and continued through the following day, leaving over two feet of snow in many areas; and

Whereas, the Governor declared these counties as disaster areas on Monday, February twelfth, as more than sixteen thousand stranded motorists were housed in emergency quarters following their rescue from snow-clogged highways; and

Whereas, this storm was judged to be the worst to hit South Carolina in the 20th Century, causing millions of dollars in damages, and today, February fourteenth, some main thoroughfares of this State remain impassible. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the President of the United States is hereby memorialized to declare immediately the following counties as disaster areas and to assist these counties in every way possible: Abbeville, Aiken, Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Calhoun, Charleston, Chesterfield, Clarendon, Collection, Darlington, Dillon, Dorchester, Edgefield, Florence, Georgetown, Greenwood, Hampton, Horry, Jasper, Lee, Lexington, Marlboro, McCormick, Marion, Orangeburg, Richland, Saluda, Sumter, and Williamsburg.

Be it further resolved that copies of this resolution be forwarded to the President of the United States and to each member of Congress from South Carolina.

TIMBER ECONOMY THREATENED

Mr. McCLURE. Mr. President, there is a worsening crisis in the availability and pricing of timber raw materials and forest products. The following articles describe some of the several reasons why this unfortunate situation exists. I ask unanimous consent that the articles from the Coeur d'Alene Press, the Lewiston Morning Tribune, Marple's Business Roundup, and a speech by Bruce E. Colwell be printed in the RECORD.

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

[From the Coeur d'Alene (Idaho) Press, Jan. 4, 1973]

TIMBER ECONOMY THREATENED

(By Terry Schick)

There's a real threat to the supply of timber and to the economic wellbeing of most of North Idaho.

John M. Richards, general manager of the Wood Products Group, Potlatch Forests, Inc., made that statement today as he spoke here before the Coeur d'Alene Chamber of Commerce.

"Timber Supply—and Impending Crisis," was the topic of Richards' speech, in which he discussed the outlook for timber supplies for Coeur d'Alene's largest industry, lumbering.

While the Coeur d'Alene National Forest has done "an excellent job in its timber sale program," said Richards, "unfortunately your mills in Coeur d'Alene cannot survive on timber from this forest alone."

He said many of the logs used by Cd'A mills are from the St. Joe National Forest, "a forest that has cut its sales program back dramatically."

Richards said that "with the Federal government being the major timber owner in this area it has a major responsibility to see that its share of timber is made available for processing.

"This is particularly true for the smaller mills which are usually even more dependent on public timber than are the larger ones such as PFI."

Richards listed three reasons for the reductions in timber sales:

Restrictions placed on the Forest Service (USFS) by the National Environmental Policy Act of 1970.

"This act greatly complicates," Richards said, "the process of preparing timber sales because of the necessity for work by soil scientists, geologists, wildlife biologists, hydrologists, landscape architects, and others, all who combine to make the required environmental impact statements necessary before a timber sale can be finalized."

The USFS is operating under severe budget restrictions. These restrictions, said Richards, "would make their job difficult even without the environmental problems. The environmental requirements compound the budget problems because not only are the dollars reduced but each dollar buys less because it must be spread thinner."

The tieup of millions of acres of commercial timberland for possible inclusion in single use classifications.

This tieup, Richards explained, has been by "preservationists (not conservationists). In Idaho alone undeveloped roadless areas tied up by the recent Sierra Club lawsuit contain over 8-million acres, much of which is classed as productive land."

While the lawsuit has been settled, the timber sales in this area have been set back at least one or two years, he said.

"These are real and complicated problems facing the Forest Service and ones that we can easily sympathize with," Richards said, adding:

"Unfortunately in the opinion of most of our industry these problems have been even further and needlessly complicated by what can only be called overreaction.

"This overreaction to the environmentalists seems to have caused almost total dismissal of concern for the economic wellbeing of the communities of North Idaho and of the entire country.

"Without this overreaction it is entirely possible that both the economic and environmental problems can be met and overcome."

Allowable cut reductions, particularly in the St. Joe and Clearwater Forests, have been a factor in the closure of six small mills, Richards said.

More curtailments would have occurred, Richards said, except that the state has done an exceptional job with its timber sales program and that mills have chosen to operate at capacity "and let their backlog of timber under contract suffer."

Richards said "something has to give—either we restore our forests to their full allowable cut or we begin shutting down more mills."

More shutdowns, he forecast, would mean unemployment for thousands of North Idaho families, loss of income and employment for firms relying on the forest products industry for sales of their services and products, and a reduction in Forest Service receipts that go into the operating budgets of counties and school districts.

"You know we have a unique opportunity here—one that very few communities are blessed with," Richards said.

"We have an asset in these renewable timberlands," he continued, "that can and should be used to the benefit of generations to come.

"This will only happen if we convince the public and our elected officials that the emotional pleas of stop cutting trees need to be replaced by sound and productive forest management, and we ask your assistance in this worthwhile effort."

[From the Lewiston (Idaho) Morning Tribune, Jan. 28, 1973]

MORE TREES DYING THAN BEING CUT, FORESTER CLAIMS

(By Hal Hollister)

A retired supervisor of national forests in north Idaho charged yesterday that more timber in that part of the state is dying from disease and insect damage than is being

cut, thus supporting the claims of logging industry spokesmen and adding fuel to a dispute which has raged for more than a year in Northwest logging circles.

In stating his views in a telephone interview with the Lewiston Morning Tribune, Ray Hilding of Coeur d'Alene was in substantial agreement with spokesmen of the wood products industry who contend that the U.S. Forest Service in combination with pressure from environmentalists, are starving the logging industry and causing many small logging firms into bankruptcy.

But he contended that the role of the Forest Service is dictated by a reduction of funds provided by the Nixon administration, not by service policy.

"Sure there's a shortage of timber from national forests in this area, just as there's a shortage from state and privately owned timberlands," said Hilding, a former supervisor of the St. Joe and Coeur d'Alene national forests who retired July 1. "Millions of board feet of timber is dying unharvested in north Idaho, and the total adds up to more than is being cut. And there are two primary reasons for this: the inability of the Forest Service to put up the allowable cut because it lacks the necessary manpower, and restrictions enacted under pressure from environmental groups."

Between the two, Hilding said, huge areas of timber are going to waste simply because it can't be gotten to market.

"Lack of manpower makes it impossible for the Forest Service to go in and salvage a lot of dying timber in areas with access roads," he said. "And restrictions imposed as a result of pressure exerted by environmentalists has slowed sales in areas lacking roads. As a result, the timber's going to waste. It's true that logging dying timber is more expensive because it's usually scattered and it takes more manpower to get it out. But the value is there, and the timber should be used."

In supporting the contention that there is a shortage of federal timber, Hilding disagrees sharply with Richard J. Pfilf, former supervisor of the Clearwater National Forest, and Thomas B. Farbo, the forest's timber staff officer.

Pfilf said last fall that the volume of timber available to loggers on the forest had actually increased during the preceding year, and he provided figures to support his claim. He granted that several small mills in the Lewiston area had gone out of business, but he attributed this to economic factors and to inefficient methods of operation.

Farbo agreed. "I can't speak for other forests," he said. "But I do say—clearly and unequivocally—that there's no shortage of merchantable timber on the Clearwater National Forest."

The conflict between the two views couldn't be sharper. Where, then, does the truth lie?

Hilding gave testimony that could provide a clue.

"The supervisor of a national forest is given considerable leeway to formulate his own forest sales program," he said. "A supervisor determines how much timber he will sell, and he also has considerable latitude in interpreting environmental rules and regulations.

"In the absence of hard and fast rules it's inescapable that the decisions a supervisor makes and the positions he adopts will be strongly influenced by his philosophy."

And this, it may be assumed, includes his attitude toward logging versus the environment.

[From the Marple's Business Roundup, Dec. 20, 1972]

GOLDEN LOGS

Pressure is building up for new restraints on export of logs, which topped 2.3-billion bd. ft. in the first 10 months and may reach 3.0-billion for the year. Exports from Washington and Oregon now take something over 22% of all the timber cut in these 2 states west of the Cascades. The only restrictions now apply to timber from federal lands; there recent sales permit export up to about half of the total harvest.

Japan is the main buyer, taking about 90%. But exports to British Columbia have risen, the results of a woods strike earlier in the year and the ability of B.C. mills to buy U.S. logs (which carry no price controls), cut them into lumber and sell the output in the U.S. free of mill ceilings.

With log supply short, exports send prices even higher. One mill representative, citing charges by a major forest company that doubled the price of hemlock in 6 months, says: "Prices seem to be going up by the hour". The evidence grows.

A sale of Oregon state timber in the Astoria area, appraised at $590,000, brought $1,040,000. A Forest Service offering east of Everett, carrying the seller's appraised price of $379,793, brought $765,515. In this sale hemlock and other white woods appraised at $39.67 a thousand bd. ft. brought $103.

The highest yet (except for Port Orford cedar, a minor species) came this month in the Gifford Pinchot forest of the Washington Cascades. One parcel appraised at $386,725 went for $1,284,031 and saw hemlock bid at $215 a thousand bd. ft. A week later 12 firms bidding on 14-million bd. ft. pushed the price of hemlock, appraised at $65.65, to a whopping $328.20. In the same stand Douglas fir, appraised at $88.49, brought $110. The Japanese prefer hemlock and other white woods, which normally sell substantially below Douglas fir.

The manager of the mill that was beaten out on that sale, said simply: "No mill in the country can afford to buy at that price" and pointed to a neighboring mill closed for lack of timber. A veteran in the lumber business shook his head: "The high bidding appears to reflect concern by the Japanese over the possible shutting off of log exports. If this continues a lot of small and medium-size mills are going to disappear."

IMPACT OF ENVIRONMENTAL REQUIREMENTS ON LOGGING OPERATIONS

(By Bruce E. Colwell)

In order to better understand the impact of environmental requirements on logging operations it might be well for your understanding to briefly review the characteristics of the commercial timber growing country in the Inland Empire area as they relate to environmental requirements.

Elevations in general range from 2,000 feet above sea level to an altitude approaching 7,000 feet with the ideal timber growing range between 2,000 and 5,000 feet or perhaps slightly less. In general the terrain is from moderate to steep with many of the side hills ranging typically from 50 to 70 percent which by some Coast standards may not seem too steep.

Logging methods vary throughout the region with a substantial amount of line skidding which we commonly refer to as "Jammer" logging, and ground skidding accomplished with tractors or rubber-tired skidders, skidding log length and tree length. There is a small amount of long line skidding in our region.

Road building in our region runs the gamut from highly erodible soils and unstable ground to excellent road building on highly stable soils. In general most of our region would be classed as lending itself to good to excellent construction on stable ground conditions. It should be recognized that there are always exceptions to this general condition.

Size of logs is highly variable but in comparisons with other regions our average log would be small—ranging in size on our own operation from 12 to 16 inches. There are many stud log and small log mills in the region that utilize logs much smaller than the diameters I refer to.

The major problem areas in our region are many in number but perhaps in order of priority I would list the raw material crisis as being the most critical one. In our region which I will consider as being synonymous with Region I of the Forest Service, there has been a six hundred million board foot reduction in the amount of timber sold in the fiscal year ending June 30, 1972. This is a reduction from an original allowable cut of 1.6 billion board feet to 1 billion board feet last year. It is anticipated that the programmed sell will be 1.17 billion board feet in the fiscal year we are now in. Reductions of this magnitude will create serious economic problems in our area.

We are very much aware of the concern for environmental quality but feel there must be a balance between environmental quality and the economic needs of people. There is a very real need for selling the full allowable cut. There has obviously been an overreaction by the timber managing agencies to the requirements of the National Environmental Policy Act. This overreaction is not subsiding and actually may be growing more intense. And when you see regulations becoming so restrictive as to prevent the sale of timber or seriously delay the harvesting of timber that needs to be harvested and eventually stifle the economy of a specific area, it is time that we become concerned.

The Chief of the Forest Service has indicated an apparent need for additional specialists and other personnel to enable them to sell the allowable cut. I can place no credence in a program that employs specialists that by their very actions will substantially reduce the volume of timber sold.

To illustrate this point we now have hydrologists and soil scientists in the field who note channel damage on certain drainages in our area and even though this damage occurred annually long before logging ever took place in the area, they are holding up sales until they can determine the cause of such damage. Where these specialists are making subjective judgments and are not responsible for the sale of timber, there is no need for them to allow timber to be sold.

I therefore would question the need for employing soil scientists, geologists, wild life biologists, hydrologists and landscape architects to assist in sales preparation work. Initially specialists might be necessary to a limited degree for training purposes only. I would expect that a Forester with a minimum amount of study in these disciplines could adequately handle the job in a specific area and the overall results would be substantially better due to his understanding of the broad picture of resource management. Certainly our need is not for specialists—we need competent men who can wear many hats. This would reduce man power in this area and permit the employment of personnel to strengthen the timber sale program.

The Chief has also indicated his desire to more efficiently utilize available funds and people and has solicited industry for help in this regard. In considering this need and the voluminous amount of reports that are generated by the Forest Service on such projects as Roadless Area Studies, Multiple Use Plans, Action Plans, and so many other projects, I often wonder if any time remains for such things as timber sale preparation and the field work required. These reports take the time and effort of perhaps thousands of people whose efforts could be channeled into more productive areas.

The Chief of the Forest Service at the semi-annual meeting of the Western Wood Products Association in Seattle in September

of this year made reference to the need for the cleaning up of forest residues. The problem in our area, particularly in our Pine stands, is that the Forest Service has been so concerned with intensive utilization that we are busy logging small diameters and shall tops when we should be pushing into virgin stands that are rapidly going out of the picture as a result of old age, insects and disease. When you eventually get into one of these areas there may be as much as 50% of the volume that is no longer merchantable due to mortality. And, of course, a lot this volume remains on the ground after logging. It disturbs me considerably when we argue over landscaping a road or some other minor matter while trees are dying due to the lack of concern of Forest Service sales administrators. And if you want to get specific as to where this is occurring, it is happening in alarming proportions in certain tributaries of the Upper St. Joe and North Fork of the Clearwater River in North Idaho as well as to lesser degrees on other forests. There is a need for extensive management that opens up all commercial forest stands as opposed to intensive management that attempts to utilize every merchantable piece of timber on the ground regardless of size.

To carry this matter of the utilization of forest residues further, in our operation we have a whole log chipping plant capable of utilizing logs from five inches to forty inches in diameter with a capacity of 100,000 log scale per shift.

This plant at first was quite successful because we utilized a substantial volume of raw material from Company lands and to some extent subsidized the removal of chippable logs by the volume of sawlogs recovered in the harvesting process. We felt we did an excellent job in placing our lands back into production. However, at the rate our plant consumed logs we soon ran out of Company logs and had to rely on Forest Service and State sales and in combination with a poor demand from Hemlock chips a year ago we suspended operations.

With a pick up in demand for pulp chips this summer we resumed operations but due to a lack of pulp log sales we would not be chipping on a full time basis if it were not for custom chipping other companies' logs.

All Forest Service officials agree that they should remove this cull Hemlock material from the forest but are reluctant to put sales up with marginal returns to them even though the management alternate might by the slashing and burning of the area.

I could go on and on about the problems related to salvaging cull material but the point I would like to emphasize is that there are ways and means to accomplish the removal of this material and convert it to a saleable commodity. We do it on Company lands but are unable to do it on other lands.

Road building has become a major problem in our area requiring substantially greater expenditures of capital to meet present day requirements. These requirements involve such items as fully designed road layouts, 100 percent disposal of clearing slash in many instances, machine compaction of culverts, and crushed rock running surfaces on all main roads. The timber selling agencies are now proposing 100 percent disposal of clearing slash on extremely narrow spur road rights-of-way, the removal of culverts following logging, the outsloping and scarification of roads to be put to rest.

All of these requirements increase costs substantially by requiring additional items of equipment, and more supervision. Our Company is using crawler mounted cranes with long booms and grapples for clearing road rights-of-way. We have used dozers with brush blades on less severe terrain and have used rubber tired skidders with grapples although we feel this method is extremely expensive. We constructed a sled mounted burning tank with a blower that is pulled behind our crane and in some cases has worked well although it too is very costly. In all cases allowances for clearing have been inadequate. In many cases clearing is unnecessary where we normally have comparatively light (as compared to the Coast) right-of-way slash following clearing of merchantable trees.

There is an opportunity for the timber selling agencies to alter clearing methods and reduce costs in many cases without creating any measurable impact on the quality of the environment. It would appear at this time that this will require action direct from Washington, D.C. rather than from the local level but it is something we must bear in mind and take the appropriate action with our congressional representatives.

There is a trend toward long line skidding in our Inland area that due to log size and volume per acre could prove to be very inefficient and therefore costly. This procedure is not compatible with the selective cutting of timber that since the passage of the National Environmental Protection Act is coming back in our area. It has been our experience that various types of ground skidding with adequate supervision is far superior to line skidding on partial cuts even on relatively steep terrain. In addition, the scarification caused by tractor skidding does an excellent job of providing a seed bed for natural regeneration of seedlings in partial cuttings.

In the original Action Plan produced by the Forest Service there is a plan to phase out "Jammer" logging in our area due to the concern for the amount of roads needed for this type of logging. The Forest Service should remove this from their action plan because roads, in and of themselves, are not problems. Even on extremely steep terrain it is possible to put the roads to rest after logging in a manner that will prevent travel on them, minimize the erosion potential, and will actually produce an excellent site for natural regeneration. This action, coupled with others set forth previously, could increase our total logging costs as much as 40 to 60 percent and eventually in times of normal markets, could force many companies out of business.

In conclusion, this is the picture of the problems I see in our region. Our number one problem is timber supply but obviously we have many other problems related primarily to the Action Plan of the Forest Service and I refer specifically to the Second Priority set forth by the Forest Service on pages 2 and 3 of their Action Plan which states that the Second Priority will be to consider those Actions which will prevent recurring or new environmental damages. Included among such Actions are—

1. Those to identify and postpone cutting in those areas where there is no suitable alternative to clear cutting and environmental impacts make clear cutting unacceptable, or where we do not have adequate assurance an area given a harvest can be satisfactorily restocked within five years after logging;

2. Close supervision and tightened enforcement of timber sale and road building contracts;

3. Phasing out of the present "jammer" system of logging;

4. Multi-functional review of proposed type conversion projects.

Strict implementation of certain items in this Second Priority could actually force many companies out of business. It is apparent that to a great degree this Second Priority was developed by a group of idealists rather than realists. We must take a positive approach to our problems and say we MUST devise ways and means to log our commercial forest lands rather than say if we have a problem—stop logging!

PRESIDENT NIXON'S ENVIRONMENTAL MESSAGE

Mr. MUSKIE. Mr. President, last Sunday in an editorial titled "A False Middle Way," the New York Times shed some harsh light on the President's environmental message to Congress. As the Times suggested, the state of our environment is not nearly as rosy as the President has proclaimed; nor does the "rhetorical middle ground" which the President has adopted hold much promise of a cleaner environment in the future. The Times said:

To seek a middle ground between saving the environment and not saving it, is as sensible as going halfway over a precipice.

The editorial is a realistic appraisal of the state of the environment and the President's record in protecting it, and I ask that it be printed in the RECORD.

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

A FALSE MIDDLE WAY

In his brief radio address on Tuesday and again in the more detailed message he sent to Congress, President Nixon made this astonishing assertion: "I can report that America is well on the way to winning the war against environmental degradation; well on the way to making our peace with nature."

That statement is totally at variance with the facts. The harsh truth is that this country—and every other country in the world—has barely begun to comprehend the complexity and severity of the ecological danger. The small, timid steps which the United States has taken in recent years under this Administration and its predecessor are only the beginning of the necessary response. Instead of inane chatter about "winning the war against environmental degradation," President Nixon ought to be explaining to the nation how serious the issues are and how painful the choices inevitably must be.

The air over the nation's cities is getting only marginally cleaner, if at all. Every major river system in the country is badly polluted. Great portions of the Atlantic Ocean are in danger of becoming a dead sea. Plastics, detergents, chemicals and metals are putting on insupportable burden on the biosphere. The land itself is being eroded, blighted, poisoned, raped.

Mr. Nixon has carved out a large rhetorical middle ground and invited all men of reason to join him there. But in some human situations, there is no middle ground. There is none between life and death, between war and peace, between truth and falsehood. To seek a middle ground between saving the environment and not saving it is as sensible as going halfway over a precipice.

To turn from the President's rhetoric to the actual substance of his legislative program is a considerable relief. That program is inadequate because it is constricted by the Administration's fundamental unwillingness to face the environmental realities; but at least it is drawn from recommendations—after being bureaucratically mangled—of conservation experts and enforcement officials who are in touch with the real issues.

The list of problems for which Mr. Nixon submits recommendations is a catalogue of the environment's peril points—land use, wetlands protection, strip mining, toxic substances, disposal of hazardous wastes, safe drinking water, sulfur oxides emissions, sediment control, endangered species, wilderness, ocean dumping, protection of marine fisheries.

Several of these proposals are well conceived. Reform of the outmoded 1872 law on mining and mineral leasing on public lands

is long overdue. It has been blocked in the past by former Representative Wayne Aspinall, long-time chairman of the House Interior Committee. With his defeat for renomination last year, the way is now cleared for Congressional action on this issue.

Tighter Federal control of new chemicals and other toxic substances is desirable as well as stricter regulation of the disposal of hazardous wastes. Last May, the Senate passed a bill covering both these subjects; a somewhat different measure passed the House but too late to arrange a compromise version. Similarly, bills on land use policy and on national standards for safe drinking water passed the Senate but not the House last fall. A revised version of the land use bill is already under consideration in the Senate Interior Committee.

Several items on the President's list are relatively noncontroversial such as approval of the international convention on ocean dumping. Others provoke as much strife in Congress as they apparently do inside the Administration. There are, for example, conflicting reports on whether the Administration's strip mining bill is to be the strong measure which some officials favor or the toothless imposter put forward by other officials.

On certain specific environmental decisions this Administration has a good record. But its good deeds are too often offset by legislative sellouts, budgetary cutbacks and administrative sleight-of-hand. The President's own rhetoric bears much of the responsibility. A successful program requires a frank commitment to ecological values. That cannot be forthcoming as long as the Administration searches for a politically safe and inexpensive middle way between doing nothing and doing what the facts require.

THE RAIL CAR SHORTAGE

Mr. HATFIELD. Mr. President, due to illness, I was unable to vote on Monday on the resolution regarding the freight car shortage. As my colleagues are aware, the thrust of this resolution dealt with the grain shipping problems in the Midwest, due to several factors set out in the debate.

I was positioned against this resolution, for several reasons. Foremost, I hate to see pressures for passage of a real boxcar bill relieved. While serving as a member of the Commerce Committee and its Rail Car Shortage Subcommittee, I participated in several hearings on this subject. Under the leadership of the Senator from Indiana (Mr. HARTKE) and the Senator from Kansas, we reported a good bill to the floor of the Senate, and it passed the Senate. Mr. President, we should repass that bill as soon as possible.

That bill, Mr. President, does not single out any segment of industry for special treatment—it would help all the facets of American industry facing car shortages, not just one. I point this out, because I fear that the impact of the resolution just passed may be to injure broader segments of our country than is helped.

I ask unanimous consent that a statement I solicited from Oregon's Public Utilities Commissioner, Richard Sabin, along with two recent news articles from Oregon papers, appear at the end of my remarks.

I am reluctant to move in a direction that would help meet the increased needs of one segment of industry hurt by freight car shortages. While it may appear to free more cars for use by competing industries, I think that a broader review leads to the feeling that any cars freed by the freeze on CCC sales would be used by grain shippers. This would not solve car shortages plaguing my part of the country.

In the name of solving one problem, we might actually be taking cars away from those who ship products used in new home construction. Wood products from the Northwest are used throughout the country. Without cars to ship these products, inflationary pressures increase. We are aware of the increasing costs of new home construction, and I think a good case could be made of the freight car crisis in this industry. With enough cars to carry out supply of wood products, perhaps price increases could be forestalled. I believe that we should act on broad legislation to correct the freight car shortage. I cosponsored S. 1729 in the last Congress—as my colleagues may recall, I had a rather lengthy speech in its support during the floor debate. I am cosponsoring the new bill. I hope it can be passed by both Houses of Congress as soon as is possible, so that long-range help can be provided the shippers of this country.

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

STATEMENT OF R. W. SABIN

At the present time Oregon is experiencing extreme shortages of rail freight cars.

Oregon is a year-round user of rail cars and is heavily dependent on rail transportation to move its primary commodities—forest products and agricultural products to market.

At this moment Oregon is short some 2,000 wide door box cars and is seriously short of flat cars as well.

Late last week I urged the ICC to examine its policy of favoring grain shipments—a seasonal requirement—over year round shipments such as forest products.

It is our position that the supply of rail cars—admittedly short—should be distributed nationally on a fair basis.

Any effort to divert more rail cars to the movement of grain is unfair and will only intensify Oregon's already serious problem.

While Oregon shippers do not use the same type of box car as grain shippers do, the forced movement of cars usable for grain shipping away from other commodities creates a demand for substitute cars for shipments that normally move in grain-type cars.

If shortages of box cars continue in Oregon, I will demand that the ICC use its powers to require cars owned by railroads operating in Oregon to be returned to the West Coast.

In view of the situation as it exists, coupled with the already inequitable diversion of cars for grain shipments, I object vehemently to any additional diversion of rail cars to the movement of grain.

Let's use our inadequate rail car fleet fairly and with consideration for the economic health of all of the country, not just part of it.

[From the Portland (Oreg.) Journal, Feb. 16, 1973]

UNUSUAL RAIL CAR SHORTAGE PUTS SQUEEZE ON LUMBERMEN

(By Phil Adamsak)

Oregon's most important industry, lumber, is choking on its own success.

It can't get enough freight cars to deliver its plywood and window frames and bridge timbers to customers.

In Riddle, a small mill and mine town near Roseburg, the D.R. Johnson Co. could have loaded "13 or 14 cars of specially cut lumber in the last 2½ weeks," says sales manager George Cook.

But they only were allotted four cars by Southern Pacific.

Also in Riddle, Bob Norton, manager of Herbert Lumber Co., needed six cars over the past two weeks and got two.

"Rail cars of any sort would do," said Norton. "But we got none today, and there's none in sight for tonight."

He says there are five carloads in his yard, bound for New Jersey, Michigan, Los Angeles and Europe. Mainly, they're heavy fir timbers.

Oregon's Public Utility Commissioner, Richard W. Sabin, recognized the problem Wednesday by firing off a demand to the Interstate Commerce Commission that it apply more pressure on Eastern railroads to return the wide-door boxcars that Oregon especially needs for lumber shipment.

Sabin also asked the ICC to find out how many cars are taken from the lumber trade during the peak of the grain season.

At first glance, industry observers were ready to blame the unique, heavy traffic of grain for shipment to Russia and China. Thousands of box cars have been pressed into grain service, and then stalled in the clogged seaport freight yards of the Gulf Coast.

But the problem is bigger than that, they now say.

There's just more shipping business this year than the nation's rail fleet can handle.

Burlington Northern last week decided one morning to spend $18 million more on 1,000 new grain cars and that afternoon chose Gunderson to do the job.

Union Pacific has also decided to buy 600 more cars this year—in a decision that hasn't been announced before.

All the Western railroads are running full-length trains of empty cars back to the Northwest from the East.

Union Pacific is using cattle cars to carry its own freight, so that all box cars can be used for customers' goods.

And still, the unusual shortage is growing.

Pope & Talbot ordered 47 cars for its hard board mill at Oakridge last week and got 21.

U.S. Plywood's Neal Creek mill, near Hood River, has 20 carloads of 2x4s stacked in its "very small" yard. They don't need wide-door cars, will gladly settle for flat cars, but can't get them and are preparing to cut back production.

This isn't the annual March shortage, when the combination of seasonal grain-shipment peaks, and California inventory-tax dodging regularly sucks up most of the loose rolling stock on the West Coast.

"It's a tremendous market that's been with us at least three months," says Don Garrison, regional transport director for Burlington Northern.

"We're actually lo ling 325 cars a day in this region, and the could be probably 500 a day if we had the equipment."

[From the Roseburg News Review, Feb. 15, 1973]

AREA MILLS FACE RAIL CAR SHORTAGE

Douglas County's forest products industries are faced with an almost certain curtailment of production unless some relief can be found in the number of rail cars made available to this area.

Lee Stewart, traffic manager and executive secretary of the Southwest Oregon Shippers Traffic Association, Inc., said a check reveals county mills are getting about 45 per cent of the needed box cars and 80 per cent of flat cars.

"And there's no relief in sight," said Stewart.

Rail cars are loaded and shipped out almost immediately upon their delivery here, but at the current rate of car arrivals, local produc-

ers can't hold out more than about seven days without feeling severe effects on their operations.

Little relief can be expected before April, but from the looks of things the pinch may be felt all of this year, according to Stewart.

Public Utility Commissioner Richard W. Sabin has notified the Interstate Commerce Commission that Oregon is again experiencing a costly shortage of rail cars, particularly for loading of forest products.

"Oregon's economy is vitally dependent on the ability of basic industries to ship via rail to major market places," said Sabin, "and continuation of rail car shortages will work a severe hardship in Oregon's economy."

Sabin is asking the ICC to look into the extraordinary impact of the seasonal shipment of grain on the general supply of rail cars in the United States.

According to the PUC staff, this movement of grain seems to be working to the disadvantage of year-round shippers of other commodities. "In notifying the ICC of the shortage, I am also requesting action to equalize the supply of rail cars on a national basis," Sabin said.

The current rail shortages are continuing with little relief in sight despite the effort of Oregon's major railroads to acquire a satisfactory supply, according to Sabin.

Southern Pacific reports a shortage of 1,118 boxcars and 119 flatcars, Burlington Northern is short 295 boxcars and 40 flatcars, and Union Pacific needs 40 boxcars and nine flatcars.

Stewart, commenting on the car shortage, said he has been in touch with county legislators and with Congressman John Dellenback and Senators Hatfield and Packwood, urging pressure on the ICC to regulate rail traffic to relieve the shortage.

Heavy shipments of grain to Russia was pointed to by Stewart as a major factor in the current rail shortage. Cars are being loaded with grain at the storage centers and shipped to ports, regardless of whether there are ships in port waiting to load the grain. The result is that the grain-laden cars wait on sidings to be unloaded.

Another problem causing the car shortage is the California inventory tax. California merchants are not accepting merchandise shipments until after April 1 so they will not have to pay inventory taxes. Thus, loaded rail cars that could otherwise be released to the Pacific Northwest are waiting on rail sidings.

While some forest products are shipped out of Douglas County by truck, the bulk of it, especially shipments to the central and eastern states, is by rail. There has been an increasing number of applications by truckers for permits to haul, but many have not been acted upon. A few trucks used in transporting are company owned. Others are what is referred to as private "truck buys" on a small scale.

Stewart said the car situation has been good during the past year, but the sudden demand and diversion of cars for grain shipments has produced a tremendous impact on local industry. Every effort will be made to get additional cars diverted to this area to relieve the situation, he said.

HARRY S TRUMAN—A GREAT MAN

Mr. RIBICOFF. Mr. President, the many words of tribute paid to President Truman upon his passing cannot do justice to this great man. His accomplishments were so numerous and his leadership so bold that it will be up to future generations to place his Presidency in proper perspective.

As I listened to my colleagues' eulogies, each seemed to dwell on yet another display of President Truman's remarkable strength of character. So many courageous decisions are associated with this great man that any brief listing is necessarily incomplete.

The Truman doctrine and the Marshall plan put Western Europe back on its economic feet and saved it from the specter of foreign domination. The creation of NATO and the unification of our armed services served as the basis for our foreign and defense policies up to the present day. President Truman's decision in 1948 to recognize the State of Israel was an act of great statesmanship.

Domestically President Truman paved the way for many of the worthwhile social programs which we take for granted today, but which were novel in their time and bitterly opposed by powerful interests. Hospital and airport construction, expanded social security benefits, higher minimum wages, aid to education and leadership in civil rights all made up President Truman's Fair Deal for the American people.

In everything he sought to do, President Truman's compassion for ordinary people and his determination to do the right thing, regardless of the consequences, guided his hand.

Those of us who had the privilege of serving in the Congress during his Presidency will always treasure our own personal recollections of Harry Truman.

I recall the 1948 election campaign when I first ran for the Congress. Along with other Connecticut Democrats, I had joined the Presidential campaign train in Springfield, Mass., on its way to Hartford where a big rally was scheduled. This was at a time when President Truman was at his lowest point in the polls.

I visited with the President in his private quarters and was struck by the confidence he exuded. I questioned him about this in the light of all the dire predictions of the pollsters. President Truman looked me straight in the eye and said:

> Young man, you're entering the big time now. Let me tell you one thing. Once you start your campaign, forget what the polls say, and what the papers say—just listen to what the people say. That's what I've always done—and the people are telling me I'm going to win.

Needless to say, the rally in Hartford was one of the greatest expressions of support in the history of the State, and the 1948 presidential election is in the history books.

Harry S Truman, more than any other man, had confidence in himself—and in the American people. Perhaps that is why, when he passed away, so many people paused to remember all the good he had done, and so many could recall how much like all of us this great man really was.

LITHUANIA

Mr. FANNIN. Mr. President, I wish to add my voice to those of my colleagues who have called attention to the continued subjugation of Lithuania and the repression of the Lithuanian people by the Soviet Union.

Last Friday marked the 55th anniversary of the declaration of independence. This also is the time when the Lithuanian people commemorate the 721st anniversary of the formation of the Lithuanian state.

In a free nation the anniversary of a declaration of independence is an occasion for celebration. But the Lithuanians were unable to enjoy or observe this historical occasion, because the nation remains under the harsh fist of the Soviet Union.

Despite this repression, the Soviets have been unable to kill the dreams of the Lithuanian people for freedom and the exercise of their human rights. This was demonstrated recently by a petition to the United Nations signed by 17,000 Lithuanian Catholics charging the Soviets with religious persecution. There also were demonstrations in Kaunas last May following the funeral of a Lithuanian youth who had self-immolated as a protest against the Soviet enslavement of Lithuania.

These are courageous acts by the Lithuanian people, and they demonstrate that the spirit of independence is still alive within Lithuania.

PRESIDENT'S ENVIRONMENTAL AGENDA: ORATION WITHOUT IMPLEMENTATION

Mr. MOSS. Mr. President, the President's recent environmental message gives the appearance of dealing in a progressive fashion with the diverse problems of natural resource protection and environmental preservation. The pronouncements, however, are unmatched by performance.

The President is like a tide. He comes rushing upon any issue with a great roar, and everyone hears and knows he is there. Then almost as suddenly he quietly withdraws, leaving things pretty much as they were. The administration's effort to produce budget money is not commensurate with its effort to appear progressive on environmental issues.

National parks will not be established by wishing for them.

Water will not become clean by regal decree.

"We will save the Everglades," cries the President, but he refuses to buy the lifeline needed.

To test the sincerity of the program proposed by President Nixon, we must examine the budget proposals he has made to implement these plans. At first blush, the President's environmental message appears to be forward looking. Many of the early public reactions on the message reflect such a cursory analysis. But, when one examines the financial commitments standing behind the proposals, the credibility of the pronouncements vanishes.

The President who claims credit for cleaning up America's waterways is the same President who vetoed the water pollution bill, and froze most of the funds needed to construct waste treatment plants once Congress overrode his veto. Our rivers and lakes will become good for swimming and recreation only if we stop dumping sewage into them. This will happen only when we build treatment plants—plants that will not be built

now because the President has locked up the money.

If we want additional recreation, parks and wilderness areas, we must apply our national wealth to each of these objectives, and we will need presidential leadership in that endeavor. At present, the White House holds out promises in one hand, and an empty purse in the other.

PRESERVING NATURAL RESOURCES

The President's stated commitment to protecting natural resources and creating recreational facilities sounds great. But when we examine the plans for implementing these proposals, the commitment is little more than rhetoric. How can we create recreational facilities when the Land and Water Conservation Fund, the prime financial resource for the purchase of recreation lands, is cut $245 million in the present budget? To this amount, he will add a carry-over level of $128.2 million from previous years. This will allow continuation of some projects now underway, but a great gap will occur if we cannot feed into the pipeline additional projects.

If we make no new initiatives in purchasing recreation resources, there will come a time a few years down the line when such projects dry up. Start-up costs for new endeavors will be much more expensive at that date than if initiated in the next few years. Interestingly, the Special Analysis of the Budget, page 277, and the Budget Appendix pages 542–6, give no reason for these cuts. Apparently, they are sacrificed in a meat axe approach to cutting the Federal budget.

The goal of creating national parks near urban areas is certainly worthwhile, but it cannot be achieved without a commitment of money, and the President has committed no funds in his budget—only in his press releases.

In fact, the President has severely restricted funds for the management of natural resources in recreation areas presently held by the Federal Government. At a time when the Nation is turning more and more to forest lands for recreation as an escape from the daily pace of urbanized America, the President has chosen to cut back the funds for the agencies that have the primary responsibility for managing such resources.

Funds for protecting and utilizing national forest lands have been cut over $56 million, from $384 million in fiscal year 1973 to $327.4 in fiscal year 1974. Construction and land acquisition funds for the Forest Service have been cut $23 million, from $48.5 million in fiscal year 1973 to $25.5 million in fiscal year 1974. This line item in the budget also contains the Forest Service funds for pollution abatement. Though the President claims to be making an effort to abate pollution, the Forest Service will certainly not be able to do much of it with a $25 million cut in its funding for such programs.

What does this mean to the general public? It means they will find campgrounds in worse repair when they take their vacations in the mountains. They will find no new roads opening up recreational areas. They will find fewer personnel available to direct them or to enforce the regulations and rules that enable the most efficient use of such recreational facilities. For skiers, it means that there will be fewer snow rangers to guard against avalanches and control the use of slopes in the public interest. It means fewer personnel to make studies for watershed management—water that is vitally needed for the growth of many communities across the land. And in a few short years, it will mean less and less available space for outdoor recreation because of the increased density caused by the lack of new sites.

What kind of commitment has the President really given to the creation of further recreational opportunities? The present budget proposes $20 million for planning and construction of park facilities under the National Park Service. For fiscal year 1972, this figure was $81.2 million; for fiscal year 1973, it was $51 million. Fiscal year 1974 should at least return to the fiscal year 1972 level. The President's cut is false economy. It means saving now and facing a crisis later. We will eventually pay more, because increased usage pressure will demand more facilities and the costs will have increased significantly by the time that crisis occurs.

The President's environmental message is shadow, not substance. It is not backed up by the essential lifeblood of any program—the willingness of putting hard cash on the line for the principles espoused in public statements.

EVERGLADES AND BIG CYPRUS

The Nixon administration has continually presented itself as the savior of the Everglades. Yet few projects illuminate the deceit of the administration's statements more than this one. The administration knows that the congressional committees responsible for passing legislation to acquire the Big Cyprus watershed area have consistently refused to pass authorization legislation for such projects until a firm, specific plan for a definite acquisition timetable is presented by the administration. This is proper public policy, for to enact a vague authorization bill with no specific timetable would simply invite the big money speculators to move in and make a killing from real estate manipulation before the land could actually be purchased by the Federal Government.

I am told the administration had a specific plan with a timetable circulating internally in the Department of the Interior, but it has never made the plan public and has never sent it to Congress. Instead, it has proposed a vague bill, knowing that the congressional committees ought to reject such inadequate legislation. This approach is evidently based on the hope that public innocence about such maneuvers will allow the President eventually to blame Congress for losing the Everglades.

Even if the administration should propose a specific plan, the present budget does not provide funds to back up such a plan. The administration has slashed the land and water conservation fund—the fund that could provide the dollars to purchase the 500,000 acres necessary to preserve the Everglades.

The administration has not been forthright on this issue. The best estimates available conclude that $170 million would be necessary to purchase the Big Cyprus watershed. One half of the surface waters that flow into the Everglades National Park come from this watershed. All this land is in private holding. If the administration does not want to go forward with this program, it should admit that. If it does want to, as it says it does, then it should commit funds directly to the purchase of this land and submit a specific plan to Congress. Otherwise, the administration will kill this project while pretending to save it. It is false economy to delay now and act later. The land speculators will not wait for the Office of Management and Budget to move. The entire Florida delegation, as well as the Governor of that State, supports immediate Federal purchasing. The chairman of both the Senate and House Interior Committees back the proposal. It is unfortunate that the President apparently supports his own program less enthusiastically than does the Congress.

COASTAL ZONE MANAGEMENT

Congress passed the Coastal Zone Management Act of 1972 and authorized $30 million in State grants for fiscal year 1974 to finance activities that would allow the States, under Federal guidelines, to manage properly coastal land and water resources. The President, however, has not asked for one penny to implement this act. Is this a commitment to the preservation of natural resources? Is this a commitment to environmental protection? The rhetoric and the dollars, again, do not match.

ENDANGERED SPECIES

The President has said that new authority is necessary to protect endangered species before they are so depleted that it is too late. If the pending amendments to the endangered species act are passed, the list of endangered species will more than triple. Yet the resource management program of the Bureau of Sport Fisheries and Wildlife, which administers this program, will be virtually unchanged; it is funded at $76.5 million for fiscal year 1973 and $79 million for fiscal year 1974. This increase barely takes care of inflation; it certainly cannot take care of the tripling of the number of species that are regarded as endangered and in need of protection.

Nor is the President willing to construct the facilities that will be necessary to implement this program; $9.6 million in construction funds was appropriated in fiscal year 1972; $2.3 million appropriated in fiscal year 1973; and $9.2 million has been requested for fiscal year 1974. This program makes a very small dent in the actual need. There is a backlog of at least $49 million in construction funds needed for facilities in the Bureau of Sport Fisheries and Wildlife right now.

We can talk forever about the importance of protecting the environment, preserving fish and wildlife, and enhancing national resources, but if we do not

commit money to hire people to administer the laws we enact and give them the funds for needed facilities, it is all just so much chatter. To defer our spending is to defer our hopes.

POLLUTION CONTROL

A commitment to clean up the waters of America requires a commitment to control the discharge of waste into the streams of America. The President has impounded more than half of the contract authority—$6 billion—available for the construction of water pollution control facilities. Without the level of funding demanded by the water pollution law enacted last fall by Congress, we will be unable to meet the objectives outlined in that law. The fault for this will lie with the President, not Congress.

A second ingredient of a firm pollution control strategy is the willingness to enforce tough regulatory programs. The President's environmental message carries precious little language to indicate that the administration is prepared to enforce sternly the Clean Air Act or the Water Pollution Act.

The President gives us absolutely no indication of his willingness to hold cities and automobile manufacturers to the deadlines created by the Clean Air Act Amendments of 1970. We have reached a point where the administration's support of these standards will be very crucial as the States negotiate with the Environmental Protection Agency for approval of their proposals. A weak hand in these negotiations will lead to failure—a failure that Congress warned of and that the President bears responsibility to avoid.

Bills to deal with solid waste disposal problems are now being drafted in Congress. Will we have the help of the President? The answer appears to be no. The refuse of society mounts even more rapidly than administration rhetoric; yet on the subject of solid waste disposal, the President is virtually silent. National packaging, created by national concerns to meet national needs has brought about a massive problem that may be the most difficult of all our pollution control problems. What has the White House said? "This is a local problem." Therefore, funds will be cut. The administration will not attempt to come up with innovative ideas via the demonstration programs grants authorized in the Resource Recovery Act of 1970. These grants, funded at a level of $30 million in fiscal year 1973, are scheduled to be cut back to $5.2 million in fiscal year 1974. This issue demonstrates the absence of real initiatives in the President's environmental message.

The President speaks gallantly of the need for stringent performance standards to regulate abuses of surface and underground mining. Yet the surface mining bill which the administration sent to Congress allows 2 years for States to adopt regulations and for ongoing mining operations and up to 2 additional years—or more depending upon the administrative speed with which the Secretary of the Interior acts—after approval of the regulations by the Secretary for strip miners to comply.

As the people of Appalachia well know, it does not take much time to flood out a hollow with a land and mud slide from surface mining operations. And the people of Ohio know how fast it takes the mountain-eating, Gem of Egypt, mechanical monster to consume a wide swath of their countryside.

Such delays in surface mining regulations are unconscionable and fly in the face of the need.

INTERNATIONAL EFFORTS

The President has proposed $10 million to assist the United Nations new environmental program. Nowhere does he indicate that his own advisory committee recommended more than twice the level of funding proposed by the President. As a member of the U.S. delegation to the U.N. Conference on the Human Environment held in Stockholm, Sweden, last June, I felt the sting of comments from many countries who greatly resented our unwillingness to make any substantial commitment of our resources to problems of an international nature. This low commitment comes at a time when the National Academy of Sciences has just issued a very troubling report documenting the extent of pollution existing in the oceans of the world. Globs of oil, floating plastics, and all sorts of toxic materials were found to have spread throughout the world in much greater abundance than anyone had previously estimated. Yet, the United States has refused to commit itself to the strong kind of international controls and financial arrangements that would make a truly meaningful contribution to international pollution control.

ENERGY

The President's attempt to separate the energy issue from environmental matters as a whole either indicates a lack of understanding of the problem or an unwillingness to attack the energy and environmental issues on a combined front. The President is to be commended for placing a new commitment to energy solutions in his budget, but it is deplorable that this commitment is funded at a mere level of $25 million. This $25 million is to be assigned to the Secretary of the Interior for new energy ventures.

Though the shape of this proposal is still unknown, its depth can be measured by the size of this fund, for the President has said that any new programs must come out of the present budget. While the President has created this special fund, he has reduced funds for mineral resource development from $50.3 million in fiscal year 1973 to $46 million in fiscal year 1974. He has reduced the AEC applied energy technology program from $14.2 million in fiscal year 1973 to $8 million in fiscal year 1974. Though funds for coal gasification, geothermal fusion and other energy research do gain increases in his budget, the dimensions of these increases are not commensurate with the crisis that is now pending in the energy field. A more comprehensive study of these problems has been conducted in Congress, than in the executive branch, as a result of the special three-committee study authorized by the Senate in 1971.

CONCLUSIONS

Congress will continue to take the lead in environmental areas even when the President absents himself from such concerns. Most of the landmark pieces of environmental legislation were initiatives of Congress, either passed over Presidential vetoes or created with Presidential indifference. In the past the President has often chastized Congress for inaction on environmental matters, while at the same time he has deliberately and wittingly serving the special interest that stall these measures. I would welcome his constructive assistance in the creation of a broadly based environmental program. Such an approach is in the best public interest and will create a shorter timetable for the enactment of these proposals. If the President will actually support his promises with budget commitments and the resolve firmly to implement legislation, Congress will gladly join hands with him in his endeavors. If he will not, Congress must go it alone.

ARTIFICIAL TIMBER FAMINE

Mr. HATFIELD. Mr. President, we are all aware of the serious shortage of lumber for housing in this country and of its increasing cost. Far too often, however, we do not relate housing costs to timber supply, which is a major factor in determining such costs.

Mr. W. D. Hagenstein, executive vice president of the Industrial Forestry Association, has written an article which appeared in the December 15, 1972, issue of Southern Lumberman on the causes of our lumber shortage. He points out the responsibility of the Federal Government, along with State governments and private owners, to manage our forests in a manner which will provide the lumber we need, as well as recreation and other multiple uses.

Mr. President, I feel that Mr. Hagenstein's article should be brought to the attention of all Senators 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:

ARTIFICIAL TIMBER FAMINE

(By W. D. Hagenstein)

When I was first a forestry student nearly 40 years ago, the prophets of gloom and doom were preaching and predicting timber famine. They really saw the United States running out of trees. They held up the South as the most horrible example and said that my own Douglas Fir Region wasn't far behind.

The forecasters, like most other dopesters, didn't understand some of the in-puts they needed to plug into their crystal balls so that their out-puts would be somewhere within the ball-park.

Not many of them knew much about timber growth. In fact, some of them didn't really believe that trees grew. They knew little about fire, except that they didn't like it. They didn't understand that in time public opinion would force improved prevention and control of the Red Demon.

Another thing they didn't understand was changing consumer appetities and a changing population pattern in the United States which sent people scurrying from the boondocks to town where most of them would

be satisfied with smaller living quarters, which would have a profound effect upon consumption of forest products. Best indicator of this is the continuous decline of *per capita* lumber consumption for the last 65 years. Of course, we've got a lot more *per capitas* now, so total lumber consumption is still rather high, so *per capita* figures aren't really much of an indicator of absolute consumption or demand trends.

Of course, some of the timber famine prophets had an ulterior motive, just like advocates of some religions who are always predicting the end of the world. This kind of prophet always wants to run things, so if enough people could be made to believe a timber famine was imminent, then public opinion would demand imposition of controls of the kind the New Dealers were seeking in the early '30's by which the Federal Government would be telling the private timber-land owners how to run their business.

These guys, however, were never able to convince a majority of the Congress that Uncle Sam knew more about John Smith's woods than he did himself, even though we were then in a period when most of our forest practices didn't measure up. However, we were beginning to see the light that the country couldn't stand to continue burning over 25 to 30 million acres of forest-land each year.

The educational value alone of the Civilian Conservation Corps probably had more to do in making Americans aware of their opportunities in forestry than any other single act in our time. The CCC provided the impetus for thousands of young men to make forestry their life's work, including this writer.

Neither did any of the forecasters have any clear understanding that when timber went from $1 to 5 a thousand the best incentive of all was provided private landowners to use their capital, brains and energy to manage their lands to perpetuate the timber crop. When timber went from $5 to $10 a thousand that many more converts would be brought into the fold. And now, with timber selling for $50 to $60 per thousand, he who owns the land and doesn't expend his utmost efforts to manage it within its full capacity for growing trees, is not only a poor businessman, but a plain damned fool.

That brings me around to the theme of this article—artificial timber famine.

AT LEAST 500,000,000 ACRES OF LAND

The United States has at least 500 million acres of land whose clearly highest use to society is the perpetual growing and harvesting of trees under multiple-use forest management. About a fifth is owned by Uncle Sam, about five per cent by the states and the balance by millions of individuals and several thousand corporations.

If the United States Government itself would practice the kind of forest management it has learned how to do from its own half billion dollars worth of forestry research during the last half century, it could provide at least 20 billion feet of timber a year to help satisfy the housing, packaging and communication needs of the people of the United States, the owners of these far-flung citizen forests. The states could provide another two billion feet and the private owners somewhere between 65 and 80 billion feet. Of course, the strong ownerships—the United States, the state governments and the industrial owners—are those which have the best chance to perform, because of their long-term tenure.

However, for the short run it looks as though the strongest ownership of all, the United States Government, will not allow its own professional managers to do the kind of job they know how and want to do to serve the American people fully through top-notch management of their own forests. Somehow, the "Board of Directors," the Congress, responding to some of their own pronouncements in law, such as the National Environmental Protection Act, the Multiple-Use and Sustained Yield Act, the Wilderness Act and the statute which created the Council on Environmental Quality, seem hell-bent on creating a completely unnecessary and unwarranted artificial timber famine in the United States. There is plenty of evidence everywhere in the country that trees can be grown, harvested and grown again, while maintaining and enhancing the environment. But, somehow, because of carefully dished up propaganda, largely through our public educational system and the public media, the man in the street who is so dependent upon forests for his daily essentials, comforts and conveniences, doesn't think that trees can be harvested without adversely affecting his environment. In fact, he's been hit so hard so often by the same bunk that he doesn't really understand or believe any more (and he once did) that trees are renewable through forestry.

Therefore, if the United States fails to live up to its pledge to provide every family with a decent home—and this has been our national policy since the Housing Act of 1968—it will be due primarily to an absolutely unnecessary artificial timber famine which should never occur because of the inherent ability of our 500 million acres of multiple-use forests to provide all the wood we need and then some forever. It's up to us. We can prevent a timber famine or create it. If we do help create it, it's because the forestry profession has yielded to extraneous pressures rather than living up to the spirit of its founders to serve mankind through better forestry.

The early-day timber famine predictions never came to pass because forestry got started in earnest in the United States before there was any real danger of running out of trees. Through protection against fire and insects, through planting trees, through better utilization, through manufacturing technology which has vastly extended our timber supply, the United States at this point in history is in better shape for a forest future than any nation has ever been.

WARNING SIGNAL

But the warning signal of the last five years that we may reverse this trend—by not wanting to practice forestry, by practicing half-hearted forestry, by making it impossible to practice forestry—is the greatest threat we have to an adequate and bountiful timber supply.

When attending the VII World Forestry Congress at Buenos Aires in October, the writer was appalled to find the same artificial timber faminests active around the world as has been evident in the United States in the past decade. Representatives of countries where wood in short and, consequently, the standard of living low, were recommending more "parks for the poor," "wilderness for the weary," etc. They said little about intensifying forestry to provide the sinews of a strong economy that can only come from more jobs, better homes, more food and better education. It was only the representatives of a few new African countries, and a few of the rest of us, who spoke out strongly for the need of homes, jobs and food and for better forestry to bring them about.

The anti-Christs of forest conservation are more vocal than those of us who believe in forestry and who believe in what it can do for people. Isn't it strange that for a generation in the United States the detractors of forestry—and some of them members of the federal bureaucracy—and a few elected officials, hollered at the private owners to practice forestry? Now that the time is here for the strong Federal ownership of forestlands, principally the National Forests, to play their part in providing their rightful share of the wood needs of the United States, these people and their "successors in interest" have become the "inactivists" in forestry. What we need are strong, vigorous, activists in forestry who believe in it, who not only want to but will practice it, because this is the only way that an artificial timber famine can be prevented. It is the only way that the 11 million families with inadequate housing can be provided with what everyone wants for them, all without diminishing in any way either the long-term timber resource or the environment for future Americans.

This writer, privileged to live through the Golden Age of American Forestry and to have known personally most of forestry's pioneers, believes implicitly in the future of American forestry. We foresters will do the job. We foresters will provide the wood for America. We foresters will keep the country green and growing. We foresters will maintain our forests and watersheds. We foresters will rotate our wildlife habitat. We foresters will protect and enhance America's forest scenery. And, we will do it all because there is no way for America to survive without a never-ending supply of renewable trees which will always serve us well if we want them. Otherwise, the future of America will be mortgaged beyond its ability to pay by an artificial timber famine of our making and an artificial timber famine future generations just can't stand.

TRANS-CANADIAN PIPELINE—A SUPERIOR ALTERNATIVE TO THE TRANS-ALASKAN ROUTE

Mr. PROXMIRE. Mr. President, the U.S. court of appeals decision blocking construction of the trans-Alaskan pipeline eliminates the only justification advanced by the Department of the Interior in support of this route for transporting Alaskan oil to American markets.

The crux of Interior Secretary Morton's decision to approve the Alaskan route has been that only the trans-Alaskan pipeline could meet the "urgent need to bring North Slope oil and gas into the American marketplace as rapidly as possible." The recent court decision assures that there will be no rapid development of the trans-Alaskan route. Thus we must consider the alternative of a trans-Canadian route.

The arguments in favor of the trans-Canadian route are even stronger now. The Senate must recognize the superiority of a trans-Canadian pipeline to bring Alaskan oil to the part of the country that needs it most—the Midwest. The crude oil situation in the Midwest is getting to the desperate stage. Just last week a refinery in Cushing, Okla., owned by the Midland Cooperative which supplied significant amounts of home heating oil to Wisconsin and Minnesota closed because the major oil companies did not have enough crude oil to sell to them. This situation would not exist if we had the trans-Canadian line. It would supply enough oil to the northern tier refineries so that crude would be available to these independent refineries. We cannot afford to let refineries go idle when we are facing such a shortage of home heating oil and will face a shortage of gasoline if the President does not act quickly to eliminate the oil import quota.

The final choice between the Alaskan

and Canadian routes will have major consequences for the regional balance of domestic crude oil supplies for decades to come. It is increasingly apparent that the gap between domestic production and demand for crude oil will continue to grow for the next two decades. The oil import quota system has prevented us from constructing the domestic refining capacity we need to meet our energy demands. Since 1959, when quotas on the importation of oil became mandatory, there has not been one new refinery built on the east coast of the United States and eight have closed. We have exported about 2 million barrels a day of refinery capacity because, under the oil import quota system, it is more economical to produce residual oil from cheap foreign oil and ship it to the United States than it is to produce the same product here from expensive domestic crude.

The resulting gap between domestic supply and domestic demand poses a major challenge for national policy. A wise energy policy is clearly one which carefully balances environmental, economic, national security and other social demands while encouraging the development of new techniques to expand our usable base and establishing a regional balance of domestic crude oil supplies. A decision in favor of the trans-Canadian route for transporting the Alaskan oil to the "lower 48" would be the best long-term solution.

The trans-American route would cross the worst earthquake zones in North America. It would require the use of supertankers to transport the oil through treacherous waters from southern Alaska to west coast ports. The enevitable oil spills could dump 140,000 barrels into the Pacific ocean each year. The potential damage to the environment caused by earthquake is tremendous. A trans-Canadian route would avoid both of these environmental objections.

A pipeline across Canada through the Mackenzie Valley avoids the intense Alaskan earthquake zones. It would be routed totally overland and would eliminate the danger of oil spills in the Pacific.

We must also consider the fact that a pipeline to transport Alaskan natural gas to the "lower 48" will have to be built across Canada. It is uneconomic to liquify the gas for tanker transportation from Alaska to the west coast. When we examine the question of oil and natural gas together, as we must, then it is clear that putting gas and oil lines across Canada on the same right-of-way will cause far less damage to the environment and be more economic than the trans-Alaskan route.

The Canadian route would transport Alaskan oil at a lower cost than the Alaskan route to markets in the Midwest and East where it is most needed. Recent studies by Mackenzie Valley Pipe Line Research, Ltd., indicate that the total capital costs of the trans-Canadian alternative would be approximately $4.2 billion. This is less than the Interior Department's estimates of a $4.5 billion outlay for the Alaskan line and much less than their estimates of a $6 billion outlay for the trans-Canadian route.

When one considers the fact that Alaskan oil fields contain over 25% of our oil reserves and represent a significant addition to our gas reserves, it becomes extremely important where these supplies are to be shipped. There is no question that they should be shipped to those areas which need them the most—the Midwest and east coast. Oil is much more expensive in these regions than it is in the West. A trans-Alaskan route would ship the oil to the west coast and thus further decrease their prices in comparison to eastern and midwestern prices. On the other hand, utilization of a trans-Canadian route would virtually eliminate this regional differential and save millions of dollars in fuel costs for midwest and east coast consumers. It would result in savings of over $1 per barrel for consumers in the Midwest. This represents a 33⅓ percent reduction in the prices they currently pay.

Supporters of the trans-Alaskan pipeline have consistently argued that only its development would bring North Slope oil and gas into the American marketplace as rapidly as national security demands.

Mr. President, this is at best a questionable assumption. It is far more important to get the vitally needed Alaska oil to the right place in the United States than just to pump it out of the ground as soon as possible. Because the East and Midwest lack adequate alternative sources of supply, they are even more dependent on relatively insecure foreign imports than the West. Construction of a trans-Canada pipeline would be more responsive to the demands of national security than the trans-Alaskan alternative. In the long run, construction of a route through the Mackenzie Valley would encourage the exploration and development of the vast petroleum resources in Canada, a friendly government, and thus further lessen our reliance on far less secure imports from the Middle East.

Mr. President, a consortium of 16 major oil and pipeline companies has very recently released an exhaustive study of the feasibility of a trans-Canadian pipeline. Since it is apparent that the selection of the transportation route for Alaskan oil will be decided in the Congress, I ask unanimous consent that the summary findings of Mackenzie Valley Pipe Line Research, Ltd., be printed at this point in the RECORD.

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

FINDINGS OF THE MACKENZIE VALLEY PIPE LINE RESEARCH, LTD.

CHAPTER 1—INTRODUCTION

Mackenzie Valley Pipe Line Research Limited was formed early in 1969 to study and seek solutions to the problems of designing, building, operating and maintaining a safe efficient oil pipeline system in the arctic and sub-arctic. A pipeline route through Canada was first contemplated to link the major oil discoveries on the north slope of Alaska with Canadian and United States energy markets. The intensive exploration for oil and gas in the Mackenzie River Delta and the arctic coastal plains in Alaska and Canada provided further incentive to investigate such a route.

The problems of pipelining in the arctic are related to an extreme climate, a remote location, limited transportation and communication facilities, permafrost soils susceptible to thermal degradation, and the impact on such an area of large-scale construction activities. A program of feasibility studies, research, investigation and engineering assessment was undertaken to establish technical and environmental feasibility and to develop reliable capital and operating cost estimates.

The most significant factor that complicates arctic pipeline construction is permafrost—the term applied to any soil material, from fine sand to solid rock, that is frozen for more than a year. Permafrost is found in varying thicknesses throughout the arctic. Building a pipeline in fine-grained, high ice-content permafrost to transport warm crude oil presents complex problems. Any thawing that results, either from the heat of the oil or from disturbance of the protective organic surface cover, could cause undesirable movement of the pipeline and disturbance of the terrain.

Crude oil comes out of the ground warm, at temperatures up to 170°F depending on well depth. While some of this heat is lost to the atmosphere, heat is added by the pumping equipment and the friction of travel through the pipeline. Cooling large volumes of crude oil quickly to 32°F or lower is not considered practical. Therefore, new pipeline construction techniques had to be developed to deal with permafrost terrains.

As part of the investigation, a full-scale experimental pipeline loop was constructed above ground near Inuvik, N.W.T. In addition, a short section of pipe was buried so that the behaviour of thawed permafrost could be observed. The results provided a sound engineering basis for determining the type of construction to be used. The feasibility study also incorporated results from other research into the design, construction and operating requirements.

For the study, a route was selected from Prudhoe Bay, Alaska to Edmonton, Alberta, a major crude oil distribution centre. Pipe of 48-inch diameter was selected as most suitable for the range of throughput volumes anticipated. The characteristics of Prudhoe Bay crude were used to establish hydraulic and thermodynamic behaviour.

The work was directed by representatives of the associated companies and was carried out by company specialists assisted by government agencies, universities, consulting firms, contractors and supply and service firms. The assistance of the various outside groups and their enthusiastic support is acknowledged in this report.

I. ROUTE SELECTION

The 1,738-mile route selected for the study traverses the region from Prudhoe Bay, Alaska through the Brooks Range and Richardson Mountains, and follows the Mackenzie River valley to Edmonton, Alberta. Over the northern 500 miles, a second route from Prudhoe Bay, east along the arctic coast and up the west side of the Mackenzie River delta to the vicinity of Fort McPherson, was also investigated. Since over half of the line would be through predominantly permafrost regions, most of the study and research has been aimed at developing design criteria that would ensure a safe and stable pipeline under these conditions. Additional research that would be undertaken before actual construction might modify some of the study criteria, but the basic logic and techniques are considered to be established.

Some modifications in both concepts and route would probably be made before actual construction. They would, however, be mainly refinements and optimizations arrived at through further research develop-

ment and investigation. The result should be an even better and more economical installation.

Although the present study was directed specifically to the transportation of crude from Prudhoe Bay, most of the information developed applies equally to any arctic oil pipeline. Supplemental geotechnical work and an economic evaluation of an oil pipeline from the Mackenzie Delta area are now in progress and will be completed early in 1973.

II. FEASIBILITY STUDIES

The detailed studies covered in the report include environmental and sociological considerations; soils and terrain; pipeline hydraulics; thermodynamics and stress analysis; station design; construction material and techniques; transportation and housing (men and materials); communications; operations and maintenance; and economics.

Application of the pipeline design criteria resulted in 360 miles of line being planned for above-ground construction. Construction methods for pump stations utilized well-established arctic building concepts with due allowance for remoteness. A sophisticated communications system, coupled with computer control, was developed for coordinating the pipeline operation. During the 3 years that it would take to construct these facilities, some 8,000 to 10,000 people would be required at peak employment. When in full operation the pipeline would employ more than 600 operating and maintenance personnel. Continuous preventive maintenance would be planned and the technicians for this program would be located at maintenance bases along the pipeline route.

Base Case economics were developed on the assumption that crude transportation could start in 1977 at a rate of 800,000 barrels per day, increasing by 200,000 barrels per day each year to a maximum of 1,800,000 barrels per day. The capital investment to achieve this level of throughput was estimated to be $3.4 billion. By applying appropriate return, debt, and depreciation factors, a tariff schedule averaging $1.15/bbl. over a 30-year life was calculated.

III. CONCLUSIONS

The engineering and research efforts of Mackenzie Valley Pipe Line Research Limited over the past four years have shown that:

1. Construction and operation of a 48-inch diameter crude oil pipeline from the arctic coasts of Alaska or Canada to Edmonton, Alberta, is technically feasible.

2. Such a pipeline can be built and operated without major or irreparable damage to the arctic environment.

3. It can be designed, built, and in operation within a period of four years after a final decision to proceed, providing final governmental approvals are granted within the first year.

4. Northern residents should benefit from economic development in their region. The size of the project is such that training and employment can be offered to all northern residents who wish it.

5. The 1738 mile pipeline, with pump stations and terminal facilities, can be built for about $3,400 million on the basis of the construction timetable shown in Exhibit 6-4.

6. At a volume of 1.8 million barrels per day, crude oil can be transported from Prudhoe Bay to Edmonton on a 7 percent flow-through net income basis at a 30-year average tariff of $1.15 per barrel. It can be delivered from Prudhoe Bay to the Chicago area for an approximately average tariff of $1.55 per barrel, and to Puget Sound at about $1.40.

7. A feasible route, compatible with the concept of a transportation corridor and having minimum effect on the environment, can be established. A general route that meets these conditions has been selected on the basis of aerial and ground reconnaissance and soil borings in permafrost areas.

8. The pipeline can be designed to withstand the moderate seismic ground accelerations to be expected along its route. Further research may reveal areas of potential fault displacement that the route should avoid or for which special design would be required.

OREGON NEWSPAPER COMMENTS ON CONFIRMATION NEED FOR DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET

Mr. HATFIELD. Mr. President, one of my State's respected newspaper editors, Mr. Eric Allen, Jr., of the Medford Mail Tribune, recently wrote a thoughtful editorial on the question of whether the Senate should confirm the Director of the Office of Management and Budget. It is a fine editorial, and I call it to the attention of all my colleagues.

Mr. Allen, as is true with so many people in our smaller towns around the country, is involved in the many activities of his community. He knows firsthand about the Applegate project—where funds have been impounded. He knows about REAP—where funds have been cut off. He knows about wise utilization of our renewable natural resource of our forests—and how funds for reforestation have been impounded. He knows about solid-waste disposal—and how funds I added for a pilot project for turning wood waste into low-sulfur oil have been impounded. Yes, here is a man who knows just what the impact in his town and his State occurs when projects are scrapped because of OMB actions.

I call attention to a particular sentence in the Allen editorial, where the power of the OMB Director is noted:

He is probably the most powerful figure in government, save only for the President himself—far more powerful than the cabinet members who, as department heads, do require confirmation.

I note that the Director is called the second most powerful person in the Government, and I know of many Oregon residents who would echo those thoughts.

Mr. President, I ask unanimous consent that this fine editorial from the February 11, 1973, Medford Mail Tribune, be printed at this point in the RECORD.

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

THE OMB AND THE POWER STRUGGLE

The Senate has passed, and the House probably will pass, legislation to require that the director and deputy director of the Office of Management and Budget (OMB) be confirmed by the Senate.

The measure faces a probable veto by President Nixon.

In today's organization of the federal establishment, we can think of no official who needs the probing and examining that goes with confirmation hearings more than the OMB director.

He is probably the most powerful figure in government, save only for the President himself—far more powerful than the cabinet members who, as department heads, do require confirmation.

He is, of course, "the President's man" (as are Cabinet members, for that matter), and the executive might well prefer to be free to select a man without let or hindrance, and one who can more readily invoke "executive privilege" against Congressional questioning than can one who needs no confirmation.

But the OMB, particularly in these days of fund impoundments and shifting organization patterns, wields a bigger stick than anyone else except his boss. And the coequal responsibilities of the three branches of government, and the checks and balances that go with them, argue powerfully for making his office somewhat more open to public inspection, via Congress.

The person of Roy Ash, who is now head of OMB, adds fuel to the controversy, for he is the recently-resigned president of Litton industries, which has huge governmental contracts, some of which are open to serious question.

How much—if any—conflict of interest arises out of that association? Only a confirmation hearing would be able to bring out the facts.

The fact that the President evidently trusts him is not reason enough for the Congress to bow politely and accede to the President's selection. Too many unanswered questions remain.

This contest is only part of the power struggle now going on in the Capital, between Congress which has allowed many of its powers to be frittered away and is now striving to regain them, and the President, who has not been at all loath to pick up the powers the Congress has, in effect, abdicated.

In the center of this struggle is the budget and the director of the office responsible for it. No wonder the President wants no restraints; no wonder Congress wants its say in the choice of important government functionaries.

We side with the Congress on this one.—E. A.

EARTH'S RESOURCES IDENTIFIED FROM SPACE

Mr. MOSS. Mr. President, the remarkable accomplishments of our space programs have been almost unbelievable. In some parts of the world, people do not believe them, and the comment can be heard that "they really aren't on the moon, the whole thing is done in a television studio."

Well, our astronauts have been to the moon, and our scientists are continuing with outstanding research through NASA which should also be recognized. One such program is the Earth Resources Technology Satellite which represents one of the most widely anticipated events in space applications.

A recent article by John Noble Wilford in the New York Times presents a very enlightening discussion of some of the satellite activities and their impact on our greater understanding and identification of the earth's resources.

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:

SATELLITE GIVES SCIENTISTS A PICTURE OF THE EARTH

(By John Noble Wilford)

GREENBELT, MD.—Dr. Nicholas M. Short, a geologist at the Goddard Space Flight Center here, bent over the light table and squinted through an eight-power magnifying glass at a large color transparency of western Nevada.

To the unpracticed eye the photograph seemed unrevealing, a strange panorama of unreal reds and pinks, grays and blues and indigos. But to Dr. Short and many other

scientists, it was one more reason to proclaim the Earth Resources Technology Satellite (ERTS–1) "a success beyond our wildest dreams."

The photograph was made from data transmitted from 570 miles out in space, one of some 125,000 pictures that have been produced by ERTS–1 during its first seven months of orbiting the earth.

The one-ton spacecraft's mission is to determine the feasibility of exploring earth from space, surveying its resources and monitoring such changing processes as the growth of crops, advances of glaciers and spread of pollution and people.

"This one's got a story to tell," Dr. Short said, examining the Nevada picture and explaining its many potential uses.

There was Reno in blue and blue-gray; cities and other works of man were made to show up in those and even lighter colors in the ERTS pictures to enhance contrasts. There were the suburbs in pink and the farmlands in red, the color signatures of vegetation.

TRENDS DISCERNED

These are the kinds of patterns that land-use planners, cartographers and agricultural experts look for in the ERTS pictures. They enable them to spot trends in urban sprawl, revise maps, make timber inventories and chart the various uses to which land is put, even distinguishing between pastures and croplands, vineyards and orchards.

Along the spine of the Sierra Nevada it was possible to plot the white mantle of snow on its peaks. Elsewhere in the picture, shallow lakes showed light blue and deeper lakes dark blue to indigo. Where the Truckee River emptied into Pyramid Lake there was a patch of red, the telltale sign of thick algae growing in the nutrients from pollution.

Hydrologists scrutinize such features to make water-supply forecasts, chart drainage patterns, map flood plains, patrol irrigation canals for leaks and detect pollution.

And to the north of Reno it was possible to make out a ring of low hills forming an almost perfect circle. It was probably an eroded volcanic formation that had heretofore escaped the attention of geologists on foot and in airplanes—a discovery illustrating how ERTS photographs provide a new perspective of earth.

"These photographs are flags to geologists that say, there's something interesting here, go out in the field and find out what it is," Dr. Short explained.

SCIENTISTS ARE PLEASED

Dr. Short is one of some 300 scientists, American and foreign, who are poring over ERTS photographs. In nearly every case, the scientists report that the spacecraft's results are exceeding expectations.

ERTS–1 was launched last July 23 by the National Aeronautics and Space Administration. Other agencies supporting the project include the Departments of Agriculture, Commerce and the Interior, the Environmental Protection Agency and the Army Corps of Engineers.

The butterfly-shaped satellite went into a near-circular, near-polar orbit that was sun-synchronous.

Having a near-circular orbit, the satellite views everything under its track from the same altitude, an advantage in mapping. Having it near-polar, the satellite crosses near the North and South Poles on each orbit, but because the earth is rotating beneath its fixed orbit, it surveys a different swath of the rest of the globe each time. In 18 days, ERTS–1 can thus cover the entire globe, except for the cone around the poles.

Since the orbit is sun-synchronous, it means that the sun angle over any scene on the ground will be the same each time the satellite passes overhead. For example, ERTS–1 always crosses the Equator on its north-to-south track when it is 9:30 A.M. local time.

The eyes of the satellite are a set of three television cameras and a multispectral scanner with four channels.

The TV cameras were designed to take simultaneous pictures of the same 115-by-115-mile section of the earth in different portions of the spectrum—one in green, one in red and the third in the near infrared. But a minor electrical problem forced the flight controllers to turn off the cameras early in the mission.

But the scanner, with its detectors measuring reflected light in two visible and two near infrared bands of the spectrum, proved sufficient to demonstrate the potential of remote sensing from space.

With ERTS-1, it takes 500 pictures to cover the United States, compared with 500,000 from high-altitude aircraft.

On the wall in the office of Dr. William Nordberg, the chief project scientist, there is a mosaic of 11 photographs. They show a strip of land 115 miles wide, running from Quebec down to North Carolina. It took ERTS–1 only 25 seconds to record such a panorama.

Some of the most valuable results, however, come only after hours of painstaking analysis of the images through magnification, color filters and other manipulations.

FRACTURES DETECTED

The following are some of the highlights:

In geology, Dr. Paul D. Lowman of Goddard has discovered many previously unmapped fractures branching off the San Andreas fault in California.

University of Wyoming geologists are preparing the first detailed map of the many cracks and other structural features of the Wind River Mountains, a job that would have taken five years with conventional means. Areas of faulting and cracking are usually promising places for ore prospecting.

Other scientists believe that they can trace the linear terrain features where India must have slammed into Asia millions of years ago. Under the continental drift theory, it is thought that India broke off from Antarctica and migrated to its present location.

In hydrology, Dr. Vincent V. Salomonson, another ERTS investigator at Goddard, said that the satellite pictures were making it possible to chart the gradual shifts in glaciers—and may lead to an understanding of why the shifts occur, and whether glacier ice, which contains 75 per cent of the world's fresh water, is on the decrease.

Scientists also report using ERTS pictures to measure sedimentation in coastal regions, detect erosion, examine changes in wetlands and tidal marshes and monitor the biological productivity of the deep ocean.

United States Geological Survey scientists have used infrared images from ERTS–1 to detect shallow subsurface water-bearing rocks in Nebraska, Illinois and New York State. As a result, they expect to produce more accurate maps of the nation's underground water supply.

TOOL FOR MAPMAKERS

Dr. A. P. Colvocoresses, a cartographer for the Geological Survey, doubts that spacecraft will take the place of conventional aerial photography in mapping. But he sees ERTS-type imagery as a "new tool that promises much to the mapmaker," particularly in recording changes that "are occurring faster than the mapmaker can possibly record them by conventional techniques."

One such example is land-use mapping.

Dr. Robert N. Colwell of the University of California at Berkeley has taken ERTS photographs of northern California and identified the general types of crops in the fields 20 acres or larger. He reports that he was right 83 per cent of the time.

In one of the first ERTS experiments, Purdue University scientists took imaging data from parts of Texas and Oklahoma and determined that the area included the following: 4.1 million acres of range and pasture; 2.7 million acres of cropland; 1.5 million acres of forest, and 190,000 acres of water, which in turn could be categorized according to quality.

A "ground-truth" survey largely confirmed the findings.

Although ERTS-1 has aimed its sensors mostly at the United States, investigators from 31 other countries are participating.

Mali, for example, is beginning to use ERTS data to make maps of remote areas, for guiding water exploration efforts and for choosing routes of new roads. From the photographs Iran has located several lakes that did not appear on its maps.

Dr. Fernando de Mendonca, director-general of Brazil's space agency, reports that ERTS photographs show how poorly the Amazon basin is understood. The positions of some of the river's tributaries were off by 12 miles or more and the direction of their flow was "sometimes off by 90 degrees."

If the Brazilians had had ERTS photography before, according to a NASA scientist, they could have saved millions of dollars in building the Trans-Amazon Highway. Just by knowing where the small rivers were, they could have avoided building many bridges.

AN L. B. J. MEMORIAL

Mr. BENTSEN. Mr. President, in this city, there will always be debate about memorials and monuments to Presidents and other Government leaders. The Washington Star, in a recent editorial, very succinctly and very plausibly, I believe, put this issue in focus as it relates to the late President Johnson. I concur with the writer's conclusion, that President Johnson is totally deserving of this type of living tribute.

Further, the Star makes a very telling point—When Mrs. Lyndon Johnson does something, the public can depend on it being done in taste and in proper perspective.

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

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

AN L. B. J. MEMORIAL

No subject under the sun is capable of producing more dissension, and more agonizing debate and more bureaucratic spinning of wheels than memorials to our former presidents. Remember, for example, the furor over those giant slabs of stone proposed in West Potomac Park to memorialize Franklin Delano Roosevelt?

So, too, in the natural order of things, such controversy may well up in regard to the most recently deceased of our chief executives, Lyndon B. Johnson.

But perhaps not.

At the very least, in the proposal unveiled the other day, we are off to a good start. The idea, as initiated by Laurance Rockefeller, involves a grove of trees—possibly encompassing a scultpure of the late President—within the park area already named for Lady Bird Johnson on the Virginia side of the Potomac River between the Memorial and 14th Street Bridges.

Nash Castro, a former director of National Capital Parks who is working to advance the proposal, says he already has discussed it with Mrs. Johnson, and quotes the former First Lady as being "touched and moved" by the concept.

Well, we are, too. This city owes an immense debt of gratitude to Mrs. Johnson for the areas of annual flowering beauty which she initiated here—as indeed the nation is indebted to Lyndon Johnson for his own efforts in the fields of beautification. The 150-acre Lady Bird Johnson Park is itself a lovely setting, which could be made more so by an attractive grove of trees.

One more thing is to be said in the idea's behalf: With Mrs. Johnson's personal involvement, there is a good chance that the job would be done right.

It is not our position that a memorial in Washington to every deceased president, especially in view of many of the grandiose proposals that have been advanced in the past, is a necessity. But we think this one would be fitting to the man, and an asset to the city.

REMARKS OF SENATOR HERMAN TALMADGE, OF GEORGIA, BEFORE THE 1973 WOMEN'S FORUM ON NATIONAL SECURITY, FEBRUARY 20, 1973

Mr. NUNN. Mr. President, I am very pleased to draw the attention of this body to an excellent speech delivered by my colleague, Senator HERMAN TALMADGE, to the 1973 Women's Forum on National Security, February 20, 1973.

I was particularly impressed by his strong stand on this country's obligation to maintain the disability benefits due our returning Vietnam veterans.

In addition, Senator TALMADGE has made some very pertinent comments on the necessity of maintaining a strong defense posture, and has included his stand against reparations to North Vietnam.

I ask unanimous consent that this thought-provoking speech be printed in its entirety in the RECORD.

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

REMARKS OF U.S. SENATOR HERMAN E. TALMADGE AT THE 1973 WOMEN'S FORUM ON NATIONAL SECURITY, WASHINGTON, D.C.

It is a great pleasure and high honor to have this opportunity to address the Women's Forum on National Security. I appreciate your most generous invitation.

It is my understanding that Senator John Stennis had been scheduled to address this meeting. I share with you deep concern over the tragic shooting of Senator Stennis. I know of no finer gentleman, I know of no other member of the United States Senate more dedicated to the security of our nation than John Stennis.

It is indeed a sad commentary of the times in which we live when a highly effective and respected member of the United States Senate cannot walk the streets in front of his own home in the nation's capital without being shot down in cold blood by wanton criminals.

John Stennis is a valuable member of the Senate. He is a faithful ally in our fight to maintain a strong and ready defense establishment—and that is something of an up hill battle these days, I am sad to say. We need him, and we need more men like him in the Senate. I know you share our prayers for his full and speedy recovery.

I am especially glad to be with you today. I welcome every opportunity to participate in the activities of organizations which are dedicated to loyalty to country and national security, such as the ones you represent.

I congratulate all of you. Loyalty and dedication are qualities we need desperately in our nation today.

By that I mean old-fashioned loyalty.

Loyalty to the United States of America and all that it stands for.

Loyalty to the American flag.

Loyalty to the American heritage, that has been handed down to us by generation after generation of hard-working, God-fearing, and patriotic men and women.

Loyalty to the men and women who wear the uniforms of the armed services of our country and the veterans who have served the cause of freedom in times of war and peace.

Considering the state of the world and the United States today, I submit that we need more people like you, more organizations like your own, who are not afraid to stand up and be counted. By this, I do not mean sunshine patriots or fair weather friends. I mean people who are ready and willing to speak out for the American way of life, in good times and bad, and to always be ready to defend it against its enemies—whether they be foreign or domestic.

I salute all of you for your good work. In your efforts to maintain always a strong and free America, count me as your friend and supporter.

First of all, let me report to you that I am very pleased with the work that has been done in recent years in the area of veterans affairs. In the 91st Congress, as you may know, I was chairman of a special Veterans Subcommittee of the Senate Finance Committee. We succeeded in the adoption of significant legislation to benefit veterans and their widows and children.

At the beginning of the 92nd Congress in 1971, the Senate created a new Standing Committee on Veterans Affairs—demonstrating at long last the full measure of Congressional concern for veterans and their social and economic problems. It was a major step toward repaying the debt we all owe to American veterans who have served their country with distinction. This in the final analysis is a debt which cannot ever truly be repaid.

As Vice Chairman of the new Committee on Veterans Affairs, I take great pride in the fact that we were active in the last Congress in securing additional legislation to provide for cost of living increases for widows, children, and needy parents of deceased veterans, increases in pension payments, including protection against reductions because of the raises in social security, a 10 percent increase in compensation rates for disabled veterans, a comprehensive drug and alcoholic rehabilitation program, and we greatly expanded the Vietnam era G.I. Bill program.

In short, we have been very busy. I pledge to you that we are going to maintain the momentum we have already gained, and endeavor to write the kind of legislation demanded by the needs of veterans and the conscience of the American people.

You have come to Washington for your meeting in the wake of probably one of the most fantastic fiascos in the field of veterans affairs to occur in the 16 years I have been in the Senate. You probably read about it in the papers.

Apparently taking leave of its senses, the Veterans Administration or the Budget Bureau or the White House, or a combination of all three, decided to propound a program for rescheduling and drastically reducing the rates of disability for veterans. The net effect of the proposal would have been to deny disabled Vietnam veterans of compensation presently being paid veterans of the World Wars and even the Korean conflict.

It would, in effect, have told men who served in Vietnam and who were disabled there, that they were second-class veterans in the eyes of the law.

It all came about in a bizarre set of circumstances.

The President's appointee to head the Office of Management and Budget came to Capitol Hill to implore Congress to make further cuts in our domestic programs, and to try to sell us on the idea of paying reparations to North Vietnam.

Then, the nation cheered and cried over the return of American prisoners of war, some of whom had been imprisoned as long as seven or eight years, and some of whom came back halt and lame and even in litters.

While all this was going on, while Mr. Ash was on Capitol Hill, and while formal preparations were being made for receiving our returned prisoners, a new disability compensation plan was being unveiled.

That plan would have brought about severe cuts in disability payments—primarily against Vietnam veterans, including some of the brave men that the nation and the world watched step to freedom over the weekend at Clark Field in the Philippines.

I want to make it clear how I feel about those events. I applaud the Administration's efforts to balance the budget and restore fiscal responsibility. In fact, such action is long overdue.

I hope we can continue to work toward this goal. I fully realize that some cuts in our domestic spending will be required and that almost everyone will be required to tighten their belts to some degree.

But, I also submit that the hatchet men at the Budget Bureau have been somewhat brutal and careless in cutting expenditures in some areas—and not nearly vigorous enough in reducing spending in other extremely costly areas, such as foreign military and economic aid that has had the United States playing Santa Claus, banker, and policeman for the whole world since 1945.

However . . . it is outrageous to come to Congress preaching economy and extolling the virtues of saving the taxpayers' money, and then to turn around and send that tax money to the Communist regime in Hanoi.

If offering tribute to our enemies of 10 long years in North Vietnam is part of the price we had to pay for peace, then whoever made that deal failed to reckon with a majority of the American people, and I hope a majority of the Congress.

I cannot speak for all of Congress. But I can speak for Herman Talmadge. I want no part of any aid to Hanoi program. I do not intend to vote to give them so much as one cancelled postage stamp.

We thank God that the war in Vietnam has been brought to a close, and that American troops are being disengaged and prisoners freed. It is my earnest hope and prayer that the United States will never again let itself get involved in any kind of shooting war with a fourth rate power or any other nation, anywhere in the world, unless our own vital interests and national security are threatened.

I defer to no one in my respect for budgetary control. I have, in fact, introduced a proposed Constitutional amendment to strictly prohibit the federal government from spending more money than it takes in, except in cases of national emergency.

But I was appalled by the callousness of sharply reducing compensation to disabled veterans for service-connected injuries. In my judgment, the greatest debt of honor this country can owe to anyone is to a disabled American serviceman.

It was shocking enough to bring forth such a plan. It was preposterous to the extreme to apply it against Vietnam veterans. Compensation to young men whose bodies have been broken and disfigured in this thankless, unholy war should be extended with a glad hand and a warm heart by a grateful nation.

Finally, late last week, the President rescinded the new program. Now, there is a great deal of passing the buck. Nobody wants to assume responsibility for offering the plan. I am not too much concerned about who should be blamed—and I have an idea that the Veterans Administration may have fallen victim to some of the faceless bureaucrats

who make up the Budget Bureau. I am just sorry that the idea was ever put forth in the first place.

I have become fed up, as I know all of you have, with growing criticism of the defense establishment and the Armed Forces of the United States. It has greatly demoralized the military. It has weakened its effectiveness. It has generated strife and disorder within our ranks of the services.

This is not only a tragic insult to our valiant servicemen. It is extremely dangerous. People seem to be ignorant of the fact that these are men on whom we depend for defense and, in fact, our very freedom.

If there are people around who don't know what defense means, they are not in touch with the world today. If they don't know the meaning of totalitarian tyranny, they have forgotten the lessons of World War II, and, more recently, Budapest and Czechoslovakia.

We seem to be moving toward the concept of a volunteer army. We all know that no one likes the draft. No one wants to have his education or career interrupted.

But at the same time, I was brought up to believe that a man has a duty to serve his country, and he should be proud to do so.

I cannot be optimistic about prospects for a volunteer army unless and until the importance of national defense is restored to its proper perspective. If we want to make it attractive enough for young men to enter the Armed Forces voluntarily, we have a lot of fence-mending to do.

The morale of and respect for the United States serviceman is lower today than ever before. This is a disgrace. We must build a new respect for the Armed Forces. We need a resurgence throughout America of the integrity of the fighting man.

I cannot say how long it will take to correct the situation. But when we have done so, ours will be a stronger and safer nation.

We cannot ignore the lessons of history. It has taught us that peace has almost always resulted from strength, while war has come from weakness. A strong nation is a secure nation. The highways of history are littered with the wrecks of nations that relied on the good intentions of countries stronger than they.

Under present conditions, the idea of unilateral disarmament is wishful thinking. We all look forward to the time when defense spending can be safely reduced and more resources channeled into critical domestic social and economic problems, such as education, job training, better housing, and pollution.

That is a day we all eagerly await. But unfortunately that day has not yet arrived.

That is why I am proud to be here today, in these perilous times when defense is a dirty word to too many people and when security doesn't mean much more than government handout.

I am gratified to know that there are Americans in great numbers who do more than just pay lip service to freedom, national security, and the American way of life.

Again, I congratulate you. I salute you, and I thank you for your support.

MISS DIANA COE OF GERMANTOWN, TENN.

Mr. BAKER. Mr. President, yesterday I had the pleasure of meeting with Miss Diana Coe of Germantown, Tenn., the first-place winner in the annual Guideposts magazine youth writing contest.

As a volunteer at a Memphis charity hospital, Diana has taken advantage of the opportunity to live her faith and evidence her concern for others. Out of her experience at the hospital in assisting a handicapped migrant worker, she wrote the essay on "The Day My Faith Meant Most to Me."

Diana's article was chosen as the most outstanding of the more than 1,300 entries in the Guidepost contest. The daughter of Mr. and Mrs. Gene Coe, Diana is a senior at the Hutchison School in Memphis. She was presented with a $3,000 college scholarship by Dr. and Mrs. Norman Vincent Peale at a Capitol luncheon.

It is, I think, typical of this dedicated young woman that she intends to use her newly won scholarship to obtain an education which will enable her to continue to help others through a career in physical therapy. I ask unanimous consent that Diana's inspirational article be printed in the RECORD.

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

ARTICLE BY MISS DIANA COE

It all began one hot June day last summer. A doctor stuck his head into the department of the Memphis charity hospital where I worked as a candy striper, and asked if anyone could speak Spanish. When no one answered him, I meekly admitted that I had studied three years of Spanish.

The doctor then grabbed my arm and led me to the fifth floor where his non-English-speaking patient lay. My first glimpse of this man filled me with pity and horror. One of his legs was amputated below the knee. I gulped hard, and then introduced myself to this 34-year-old man, Luis Hernandez, little knowing that the humble Mexican migrant would play a role in strengthening my faith in God.

After three hours of conversation, I became deeply interested in Luis. Two weeks, previously, after his corn crop failed, Luis had illegally crossed the Mexican border to earn enough money to feed his four young children and wife. Unable to find a job in Texas, Luis had moved on to Florida where Spanish is prevalent. By hitching rides on freight trains, he had arrived at the Memphis terminal.

It was there the accident happened. While running alongside a moving boxcar he had grabbed the handle. However, because he had not eaten in eight days and was weak, Luis fell. The train crushed his leg beyond recognition. When I met him, he was alone in a hospital in a foreign country; he could speak no English; one of his legs was gone; and he had lost his faith in God.

Driving home, I thought about Luis. What was his future? He earned $300 a year and lived in a one-room shack with a dirt floor and no electricity or plumbing. I knew that in Mexico there was no welfare system to take care of him. Over and over again I asked myself, "How can I help Luis?"

That night I turned to God and prayed as I had never prayed before, asking Him to guide me in helping this man who was so much in need of a friend.

The next day I gave Luis some stationery, and he began to write his wife about his accident. As he wrote, tears of overwhelming grief streamed down his face. While sitting at his bedside, I suddenly knew how I could help him: I would get Luis an artificial leg! If he did not get this leg in the United States, he would never get it, because artificial limbs are rarely used in Mexico.

That afternoon I went to the hospital's physical therapy department and excitedly told the therapists my idea. Giving many valid arguments, they all said it was impossible. First, Luis would be ineligible for welfare because he was an alien, and an artificial leg would cost about $500. Secondly, I would not have enough time to order the leg because as soon as he recovered, Luis would be deported. Thirdly, I did not have a place where Luis could stay for two months while his stump healed. Finally, they reasoned, if I were found helping him, I would be charged with aiding a criminal.

"No!" they repeated. "It's absolutely impossible!"

Convinced that my plan was indeed impossible, I went home and cried myself to sleep. However, the next morning, instead of simply crying about the situation, I prayed. I asked God to guide me in helping Luis. After praying, I felt assured that Luis would get the leg. Although I didn't know how he'd get it, I knew he would. From that moment on, my faith never wavered. No matter how impossible the situation appeared, I knew that God would help me to over come it.

For the next month I visited Luis every day and made contacts for money. Each of the clubs and churches that I went to turned me down because they had "other charity projects." After each refusal, all the therapists, my family, and even Luis, told me to give up, insisting that my plans were impossible.

Yet, I kept praying, knowing that God would let Luis get that artificial leg. Two weeks passed without any response from my contacts. Then one day when I arrived at the hospital, I found a minister with Luis. The minister listened intently while I told him about my ideas for the artificial leg. A week later he gave us our first contribution—$100 which his church had raised. At last, three weeks after I had met Luis, God had begun to answer our prayers!

The same week, several other churches that I had previously contacted began to contribute money, fruit baskets and Spanish Bibles. By the end of that week, I had collected $400. Clutching this money, I went to a prosthesis shop in Memphis and told my story. Before knowing how much money I had collected, the owner of the shop offered me the artificial leg for $375—a reduction of over $100.

After this eventful week, Luis' faith in God became very real. His whole outlook on life changed. His eyes changed from those of a scared, nervous animal to those of a confident, trusting person at peace with himself and God. He no longer had trouble sleeping, or thoughts of suicide.

The day that Luis had to leave the hospital arrived. Although I didn't have a place for him to stay, Luis and I both knew that God would provide. While checking Luis out of the hospital, a social worker informed me of a boarding house that cost $75 a month. I called the landlady of this house and, knowing that God would somehow furnish the money for the rent, I asked her to hold the room for two days.

That night Luis stayed at our house. Never having been inside an American home before, he was astonished at the dishwasher, the air conditioning and the toilets. Before dinner, I taught him how to use a knife and fork. While we were eating, the president of a church youth group called to contribute exactly $75. God *had* provided the money for the rent!

His stump healed beautifully and the big day finally arrived. Luis and I excitedly went to pick up his artificial leg. Never will I forget that moment in the doctor's office when he stood on his artificial leg for the first time and stared into the mirror. Then, without uttering a word we looked at each other, and with tears rolling down our faces, we lowered our heads and thanked the Lord for giving Luis "the impossible".

THE CEASE-FIRE IN VIETNAM

Mr. BAKER. Mr. President, the successful effort by President Nixon to bring an honorable conclusion to the conflict

in Southeast Asia has won acclaim from throughout this Nation and around the world.

One of the most eloquent statements on the President's announcement of a ceasefire agreement in Vietnam came from Mayor Kyle C. Testerman of Knoxville, Tenn. I ask unanimous consent that Mayor Testerman's statement be printed in the RECORD.

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

STATEMENT OF MAYOR KYLE C. TESTERMAN

This is indeed a momentous occasion in the annals of diplomacy.

President Nixon has achieved the dream of our time . . . peace in our time. Let us unite in our hope for a lasting settlement to this devastating conflict. Let our prayers reflect the wish of all sane men—that our children never endure another such internecine struggle.

To paraphrase the words of one of the genuises of our age; those who ignore the lessons of history are doomed to repeat the mistakes of history. Hope that we have been wise enough to have learned our lesson well.

If we have done this, then all will not have been for naught, and the tireless efforts of President Nixon will produce the generation of peace for all men he has so earnestly sought.

Together with this generation of peace, President Nixon is generating a strengthened trust for America around the world. He has accomplished the seemingly impossible task of bringing an end to a nightmare in a way that will redeem the sacrifices that have been made, not insult them; in a way in which our Nation can achieve a just and lasting peace both at home and with all nations.

I know I speak for all Knoxvillians when I say: "Mr. President, thank you. Our Long Day's Journey Into Night is over."

THE NOMINATION OF L. PATRICK GRAY TO BE DIRECTOR OF THE FBI

Mr. HRUSKA. Mr. President, on Saturday, February 17, 1973, President Nixon made what I consider one of his more important appointments—in fact he is the first President ever to have the opportunity to appoint a Director of the Federal Bureau of Investigation.

The President's choice for this most important position, this job with such awesome responsibilitites, is L. Patrick Gray III. The choice was not unexpected. After all, Pat Gray is the only man alive with any experience for the job—he has been running the FBI as its Acting Director for almost 10 months.

It is my good fortune to have known Pat Gray officially for over 2 years. He served as head of the Civil Division in the Department of Justice commencing in December 1970. In February 1972 he was designated Acting Deputy Attorney General, performing the duties of that post in addition to those duties of the Civil Division until in May 1972 when he was appointed as Acting Director of the Federal Bureau of Investigation.

Some months before the Honorable J. Edgar Hoover passed away, I had accepted an invitation which I received from him to address the spring graduating class of the FBI National Academy. That event took place on June 7, 1972, about a month after Mr. Hoover died.

Pat Gray presided over the graduation ceremonies on that occasion. The keen loss which the men and the women of the FBI and the members of the graduating class felt on the death of Mr. Hoover was still very much apparent. It was an occasion I will always remember.

Pat Gray impressed me very much as he presided over those ceremonies. He has impressed me very much since that time, also, by the fashion by which he has discharged the duties of Acting Director. His record likewise as head of the Civil Division of the Department of Justice showed him to be of high professional attainment and skill.

In my opinion, he is a man of substance, a man of feeling, a man of determination, and most of all a man of dedication to principles, the principles which are the cornerstone of the FBI's greatness.

It is not my intention today to praise Pat Gray or to defend him from his critics, and he has some. What man who follows a J. Edgar Hoover would not have some critics? In fact, what man can take on any important position in law enforcement without drawing some criticism? Any who did not would be highly suspect.

For the first time in history this body will have a say in selecting the man who will run the FBI. That is an important task, one which we must not take lightly. Nor should we be inclined to make snap decisions and close our minds before the facts are known. There has been much information circulated about Pat Gray and how he has run the FBI for almost 10 months. Some of it I frankly do not believe, and I look forward with great expectations to the opportunity of helping establish the facts as a member of the Committee on the Judiciary.

We will get the facts and report them to this body in due course so that a just and proper decision can be made. In the meantime, I ask that all Senators keep an open mind and avoid being swayed in their judgment by rumors and false reports.

Two days before Pat Gray was named by President Nixon to be Director of the FBI, Pat Gray, the Acting Director of the FBI, spoke before the Eighteenth Student Conference on National Affairs at Texas A. & M. University, College Station, Tex., on "The FBI in a Free Society." His words give a good insight into how this man views the outstanding agency he has been running for almost 10 months. I think this speech is a good starting point for all of us to begin making our decision on whether or not we want Pat Gray to be the next Director of the FBI, so I ask that it be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HRUSKA. Mr. President, another address delivered by Mr. Gray was on May 17, 1972, before the Thomas More Society of Washington, D.C. It was only a short time in days after President Nixon had designated him as Acting Director.

This speech is significant, Mr. President, because in it Mr. Gray undertook to state some of the principles by which he was guided and of which he was possessed in the field of government and in the field of citizenship. The philosophy he states there at the inception of his work with the FBI was a spontaneous recitation uttered at a time when the solemnity of the new status assumed was still quite new.

His remarks are worthy of consideration in this context. I ask unanimous consent that the text of this speech also be inserted in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

EXHIBIT 1

THE FBI IN A FREE SOCIETY

(An address by the Honorable L. Patrick Gray III, Acting Director, Federal Bureau of Investigation, February 15, 1973)

May I congratulate SCONA 18 for the excellence . . . and contemporary relevance . . . of your 1973 theme, "The Controlled Society." This is a subject of great interest to our Nation today as it was in the earliest days of our history. We the American people have continually sought ways and means to preserve that *delicate balance* between the security of the community and the freedom of the individual.

In late 1786 Shays' Rebellion erupted in Western Massachusetts. General Henry Knox, worried about the possibility of anarchy, wrote his good friend, George Washington:

"What is to afford us security against the violence of lawless men?"

The answer came a few months later in the Miracle of Philadelphia . . . our Constitution . . . a document creating a government of law . . . a document creating a government to provide both security and freedom . . . not the one or the other, but both together . . . and to all the people, not to some of the people.

Today, almost 200 years later, General Knox's question remains germane to the changing, challenging world in which we live:

Can we control crime in a free society?

Can we have security against "lawless men" . . . the rapist, the thief, the sniper, the hijacker, the terrorist, yet *not* forfeit the precious freedoms which give dignity and decency to our way of life?

Can we protect our citizens, our homes, our campuses, our streets and yet *not* become a "controlled society"?

My answer to each of these questions is YES provided that our people maintain a lively interest in our free society, in the great issues facing us, and make determined efforts to become well informed and aware of the FACTS involved in each issue.

There is no principle that is more important than that government should remain close to the people and that the dispersion of power in our Federal system is one of the great safeguards of the liberties of a free people. But the people must be informed of the facts. . . . not the fiction . . . in order to exercise that power wisely in the national interest.

As Acting Director of the FBI . . . an institution vitally concerned with the ultimate answer to these questions . . . I welcome this opportunity to tell you something about the service performed by the dedicated men and women of the FBI *to preserve both our security and our liberties.*

I want to share with you my impressions after being appointed to my present position . . . how I went about *evaluating* this distinguished agency . . . and what *verdict* I have reached . . . especially relating to the FBI's role in fighting crime and thereby making more secure our personal freedoms.

As you know, I was appointed Acting Di-

rector of the FBI in May of 1972. I approached this assignment with a feeling of respect and admiration . . . bordering almost on awe . . . for the organization that John Edgar Hoover had built, and for the men and women who had shared with him in that creation.

I approached this assignment with an open mind. I wanted to see what made this great organization tick . . . what were the sinews, muscles, and nerves that held it together. Every American is a shareholder in the FBI. I wanted to see how good our investment actually was.

Since that time, now approaching ten months, I have been privileged . . . as no outsider had ever before been so privileged . . . *to observe the performance* of this American original at first hand . . . *to direct its performance . . . to question its performance* . . . and *to evaluate its performance.*

My approach was that of the inquiring mind. I posed questions . . . questions of all types to the senior executives of the FBI . . . questions touching every aspect of the work of the Bureau. Why this priority? Why this procedure? Why these files? Why this utilization of resources? And once all the stock answers had been served up, they were asked to dig deeper and come up with still more answers . . . to provide rationale and jurisdiction for every brick and stone that went into the edifice of this 64-year-old human institution.

It is a rare tribute to Mr. Hoover . . . and to the men and women who built the FBI with him . . . for me to be able to stand before you today and tell you that this magnificent organization responded with a zest, an enthusiasm, and with an all-consuming fidelity to perfection that is unparalleled in my experience.

This process is continuing, but my own personal evaluation is clear. The Nation can be proud of the high-quality performance of the FBI and its effectiveness in protecting our security, yet at the same time respecting the rights of the individual. *The FBI is responsive to the public interest in accordance with the law.*

I have found that the men and women of the FBI are complete professionals. Their prime . . . and overriding . . . characteristic is a sustained pursuit of excellence, an all-consuming dedication to perfection. I have also found that they possess an innate sense of decency, dignity, and courtesy.

I set forth this background because I know there have been fears and allegations on the college campus . . . and elsewhere . . . that the FBI is a "Big Brother," hovering about, in Orwellian style, looking over the shoulders of citizens, checking on their every move, maintaining secret dossiers and undermining academic freedom.

These allegations simply are not true.

My experience as Acting Director of the FBI has convinced me of a number of things.

The performance of the men and women of the FBI is based on genuine respect for civil liberties.

The FBI observes strict conformity with constitutional requirements.

The performance of the FBI rests in standards of public service and dedication to duty which are impervious to corruption.

On occasion it seems to me that there are those in our land who would like to abolish the FBI . . . or at least abolish the files of the FBI.

Obviously, the FBI has files. There are the so-called general files and the investigative files.

When we start an investigation we open up an investigative file. There can be any number of reasons for the opening of an investigation. But there will be *a reason within our jurisdiction.* I have found no evidence at all that the FBI has gone out and investigated beyond its jurisdictional perimeters . . . or taken the law into its own hands to move in a dictatorial manner across our landscape.

Actually, *jurisdiction is our ground zero.* Here is where it all starts and where it all comes together. And as you would expect, here is the fertile area for those who study the operations of the FBI. In some cases there is room for difference of opinion as to whether or not FBI jurisdiction is present. Whenever in doubt, guidance is requested from the Department of Justice. This is standard operating procedure . . . because the FBI will not investigate unless we have the required jurisdictional authority.

In discussing the FBI, it helps to know exactly what we are and what we are not.

We are the principal investigative arm of the Department of Justice. We are not policy makers. Even though we investigate . . . we do not prosecute the alleged violators. We do submit reports of our findings during the conduct of an investigation to attorneys of the Department of Justice . . . but we do not submit any recommendations as to disposition of the particular case involved in the investigation.

Be careful of the language gap. Too often I read that the FBI prosecutes or that the FBI convicts. We do not recommend . . . we do not prosecute . . . we do not convict . . . but we do investigate and we do report our results to attorneys of the Department of Justice.

The myths and legends being circulated about the FBI . . . that it is a national police force . . . that it has an eye in every bedroom . . . that it is an enemy of civil rights . . . need to be laid to rest.

In fact, the FBI, because of the training of its personnel, its guidelines for conducting investigations, tis scrupulous respect for the rights of every citizen, *is a vital force working against the type of controlled society we all so deeply detest.*

Let me illustrate.

The FBI's Handbook for Special Agents . . . which lays down the guidelines of our investigative policies . . . on the very first page stresses the absolute necessity of protecting the constittuional rights of our citizenry.

"Fundamental to all investigations by the FBI," it says, "is the need to protect the constitutional rights of any individual while still thoroughly and expeditiously discharging those responsibiltiies with which it is charged by statutes and Directives of the President and the Attorney General."

The FBI's training program is aimed at teaching Special Agents their obligations as officers of the law. The new Agent, for example, during the course of his training, receives 60 hours of instruction in legal matters with special emphasis on Constitutional law and the Bill of Rights. He studies Federal criminal procedure and is carefully instructed on the law of searches and seizures, interviews and confessions and the need at all times to fully honor and protect the rights of the individual. The rules of evidence are thoroughly explained and the statutes over which the FBI has jurisdiction analyzed.

Just recently Judge Jack B. Weinstein of the Federal bench in New York made these revealing comments:

"Local representatives of the FBI and other Federal law enforcement forces are, with rare exception, meticulous in their enforcement of civil rights, including those involving search and seizure."

In this connection, and in August of last year, we established a *new FBI policy* to insure *complete fairness* regarding civil rights investigations. In cases involving complaints against police officers we do not assign Agents to make these investigations if they have worked with these officers in the normal course of business. This policy is in the interests of all . . . our Agents, tne police, and the public we serve.

The best protection of civil liberties is a well-trained, intelligent, and honest law enforcement profession. That's why . . . time after time . . . the FBI's thorough and unbiased investigations not only secure evidence used by Federal prosecutors to persuade the jury to convict the guilty but also we often unearth the facts *to exonerate the falsely accused.* This is a facet of our work so frequently overlooked.

Part of the myth that the FBI is a Big Brother or a national police force comes from misunderstandings about the National Crime Information Center (NCIC) and our use of electronic surveillances.

Proponents of this myth say that these crime-fighting techniques invade personal privacy and contribute to the growth of a "controlled society."

I think their assumptions are wrong . . . and I want to tell you why.

As you know, FBI agents . . . and their brother and sister law enforcement officers . . . must grapple on a daily basis with the tough, sweaty realities of a demanding yet ambiguous world. They are called upon to make fast judgments, to weigh and balance competing values, without the luxury of quiet reflection.

They need effective, up-to-date tools to fight the "lawless men" mentioned by General Knox . . . men who would and do take away your privacy, your rights, your property . . . and even your lives.

The National Crime Information Center . . . started in 1967 . . . represents one of the law enforcement profession's most progressive . . . most effective . . . tools against the criminal. It is the computer in action against "lawless men." This is not the computer in action against noble citizens or just average citizens . . . but it is the computer in action against those of our fellow citizens who choose to do violence to our criminal laws.

The NCIC's computer, located in Washington, with terminals across the Nation, stores information—subject to instantaneous retrieval for the use of criminal justice agencies—about wanted criminals; criminal histories; and stolen property, including automobiles, guns, securities and other identifiable items of criminal loot.

By no stretch of the imagination is the NCIC a Big Brother data bank . . . nor is the NCIC a stratagem designed to invade your personal privacy.

As you well know, our Constitution is not a suicide pact. Free men and free women living in a free society and governing themselves have, as one of their first duties, the protection and preservation of the Constitutional democracy under which they live and thrive.

NCIC helps us to protect and preserve the interests of our free society by bringing technology to bear on the side of law and law-abiding Americans.

NCIC is directed exclusively against the criminal and is a *cooperative venture* linking local, state and Federal law enforcement agencies into an effective crime-fighting team.

Court-approved wiretaps represent still another highly important tool in the fight against the hard-core forces of crime.

On last Sunday the lead paragraph of an Associated Press story from Boston, Massachusetts, told it like it really is:

"Armed with search warrants, computers, electronic surveillance and a coordinated approach, lawmen are hitting organized crime in New England where it hurts—jailing its leaders and harassing its bookies."

I want to emphasize that in its tightly limited and controlled use of electronic equipment, the FBI conforms strictly with a law given to us by the Congress to facili-

tate an all-out effort against organized crime. This technique is employed not only with the approval of the Attorney General but with the specific authorization, in each instance, of a Federal judge.

This law was drafted by the Congress using language designed to afford the fullest protection of individual liberties while, at the same time, enhancing society's ability to protect itself against the ravages of organized crime.

Again, let me emphasize that the fundamental right of any free society is to preserve itself and to maintain its government as a functioning and effective entity. This concept is basic to our Constitution and laws.

Listen to the words of Charles Evans Hughes, Chief Justice of the United States Supreme Court and a noted civil libertarian, speaking for the Court in a decision handed down over 30 years ago:

"Civil liberties, as guaranteed by the Constitution, imply the existence of an organized society maintaining public order without which liberty itself would be lost in the excesses of unrestrained abuses. . ." Why do I share these thoughts . . . these comments . . . with you?

Not, believe me, because I want you to conclude that this is an exercise in self-justification. It is simply an attempt to set forth some of the FACTS about the operations of the FBI in our free society.

Nor do I tell you this story to blunt your probing . . . your analyzing the FBI or the entire law enforcement profession. We know that our actions will sometimes engender criticism. We do not pretend to be infallible. We continually evaluate and re-evaluate our performance to insure that it is relevant to the needs of a constantly changing society. We particularly count on the support of thoughtful and responsible young people—such as you here today at SCONA 18.

We want you to judge us harshly . . . but fairly . . . and on the facts, not on the fiction.

We want you to judge us on our merits . . . not on misinformed viewpoints. We want you to weigh the rhetoric against the FACTS.

We want you to judge us because we are the servants of many masters . . . the whole body of citizens in this free land, the Judiciary, the Congress, the Department of Justice, and the President of the United States.

We in the FBI are proud of our record of achievement . . . both in the fight against crime and in the fight on behalf of individual liberties.

Our image will take on the nuance of new times and new mores. The style will change, as of course it must. But, my friends, the *substance* will not change, and the continuity of mission will remain unbroken.

That is my pledge to you today.

EXHIBIT 2

ADDRESS OF HON. L. PATRICK GRAY III, MAY 17, 1972

When Harry Truman was notified, on the death of Franklin D. Roosevelt, that he was now President of the United States, he said, "I felt like the moon, the stars, and all the planets had fallen on me."

While I don't actually feel that way, I now understand more than ever how Mr. Truman could have said it.

I assure you that when Acting Attorney General Richard Kleindienst, first told me that I was to be appointed as head of the Federal Bureau of Investigation, I was stunned. My name had not been among those prominently mentioned as the possible successor to J. Edgar Hoover, and the thought had, frankly, not even occurred to me. After all, the President had only recently honored me by sending my name to the United States Senate as his nominee for Deputy Attorney General.

I say this because there has been some speculation that my appointment is somehow part of a scheme for the President to gain political control of the FBI.

I am not a political advisor or counsellor to President Nixon. I have never run for political office. I am not a political crony of President Nixon's. Upon retiring from the Navy in 1960 I served for approximately seven months on Mr. Nixon's staff when he was Vice-President. Since 1969 I have served in positions in HEW and the Department of Justice—positions that were not political in nature, but required professional administrative, managerial, and legal skills. As the President himself has put it, our relationship has not been political or social, but professional.

In fact, when I met with the President he gave me only one instruction—that the FBI and its Director continue to be absolutely non-political. I am honored and humbled that the President should place me in this position of great trust and responsibility, and would emphasize to me that I must exercise the highest degree of professional competence in the interest of the American people. I believe it is important at this time for me to express what I truly feel—that I will meet this most solemn and the challenging responsibility.

It is important to state this because I follow a man in this office of legendary stature. John Edgar Hoover founded and built the finest investigative agency in the world. For nearly half a century his name and that of the FBI have been almost synonymous. Its efficiency, its integrity, and its esprit de corps have earned it the long-standing respect and appreciation of the American people.

There is another side to Mr. Hoover's legacy that is little known outside the FBI.

His critics try to give the impression that his power was a threat to American freedom. J. Edgar Hoover scrupulously observed the restrictions of Federal law and insisted upon the same by every FBI agent. He favored the separation of various Federal investigative responsibilities among a number of individual agencies in order to diffuse the power that could accompany such responsibilities. He steadfastly opposed any proposal to concentrate all investigative duties in any one agency. He strongly resisted any effort to establish a national police force.

Far from fearing J. Edgar Hoover as a threat to freedom, the American people had every reason to be profoundly satisfied that this position was occupied by a man of his self-restraint and his understanding of democratic principles.

I wish to say that I am deeply committed to this same policy. As long as I am head of the FBI, it will not take the first small step which might lead to the formation of a national police force. As long as I head the FBI, it will not come under political influence nor will it ever try to exert political influence.

Let me move now from the subject of policy, in which I do not anticipate what I would call substantive changes, to the area of style, in which I have already begun to make changes.

By "style" I refer to the means by which an administrator implements policy. In doing so I must be myself, and I will not try to be someone else. Further, in making certain changes in the style of operation, I impute no impropriety or fault to my distinguished predecessor, although this may be so interpreted in some quarters. On the contrary, there is a Pat Gray style because that is the only way I know how to operate, or at least operate comfortably. And this new job of mine has enough monumental responsibilities and demands without making things difficult for myself by trying to operate in a mode that is foreign to me.

As I have met with the top officials of the Department of Justice, including the FBI, I have had two immediate concerns: first, maintaining the integrity and effectiveness of the FBI during this transitional period; and second, meeting the challenge that this moment presents to the new Acting Director by making certain changes that seem appropriate.

As for the first concern, I am satisfied and wish to assure you that the transition has been made without any loss whatsoever in the FBI's integrity and effectiveness. Its operations against Federal crimes and against attempts to subvert our form of Government have continued without the least interruption.

As for the second concern, I would like to mention a few decisions or inquiries made regarding possible changes. These would fall into two categories—changes already decided upon, and areas still being explored.

The most important changes already determined are in the hiring of agents.

It has been said that there are not enough Blacks, Asian-Americans, Spanish-speaking Americans, or American Indians among FBI agents. I would point out that the Bureau's overall record in this connection is good, and that while it has made special efforts to recruit agents from these groups, it has proven difficult to attract people qualified to meet the standards for FBI agents. Reduction of standards has been suggested in the past, but this we will not do, and I do not believe that members of these groups would want us to do so. Yet I feel strongly that they are a most significant and integral part of our society, and they have a role to play in agencies such as the FBI. We must and will redouble our efforts to reach out and attract applicants from these groups. I say this not only because it is right and fair and socially desirable, but because it will truly enhance still further the effectiveness of the FBI.

Second, the FBI is the last major Federal investigative agency that does not hire women agents. Within the Department of Justice this step has been taken recently by both the Immigration and Naturalization Service and the Bureau of Narcotics and Dangerous Drugs. In the past such a step has been resisted on the argument that women should not be placed in occupations involving physical danger. I am told, however, that many women consider such protective impulses to be a clear case of male chauvinism, and are perfectly willing to take their chances with the men. While it may prove a difficult mental adjustment for some of us, this step must and will be taken. And again, I believe it will enhance the total capabilities of the Bureau.

One of the first inquiries I made of top FBI officials was about the possible existence of files that might be called secret files or political dossiers. Both of these phrases have a sinister connotation. I have been informed, as a result of my preliminary inquiries, that there are no secret files or political dossiers. Without having any in-depth knowledge of the Bureau's files as of this moment, I will simply state that the matter of files and communications is one of the serious avenues of inquiry I am pursuing with the top officials of the FBI as I continue to acquire the knowledge necessary to discharge my responsibilities.

Another area in which I am still looking for answers is the frequent criticism that the head of an investigative bureau of this importance has too much potential power. It has been suggested that his actions should be subject to review by a blue-ribbon commission over and above the Bureau. I am concerned that such a device might seriously impair the effectiveness of the FBI. However, I do have an open mind with regard to the establishment of a Director's Advisory Committee or a Director's Consulting Group, com-

posed of recognized authorities in certain relevant fields. Certainly the Federal Bureau of Investigation already has more than ample expertise among the dedicated men and women who serve in this elite investigatory agency. But I believe that, working together with a group such as I have described, my top associates in the Bureau and I may be assisted in the discharge of our responsibilities as we look to the future role of the Federal Bureau of Investigation in our society.

Let me add that I do not, at this present time and on the basis of information now available to me, believe that any full-scale investigation of the FBI is indicated. I have the feeling that many of the criticisms leveled are unfounded, simply because the critics did not have the factual information regarding the operations and the performance of the men and women of the Federal Bureau of Investigation.

These, then, are some of the questions of style that may give a new look, but not new substance, to the FBI.

Finally, at this historic changing of the guard—the first in nearly half a century—it is important for me to give some assurances of faith.

I believe in the United States of America, not only as a nation and a people, but as an ideal that has helped to re-shape the world.

I believe in the democratic form of government, and in the sovereignty of the people.

I believe in a government of law, enacted by the people through their representatives, and not in a government of men. I believe that where this kind of law ends, tyranny begins, and I believe that the people have the right and the duty to oppose such tyranny.

I believe that individual Constitutional rights are basic to our society and our form of Government, and I include not only the rights of the accused to the full protection of the law, but also the rights of all citizens to have that same protection.

I believe that it is possible for popular government to protect itself from overthrow without denying basic freedoms, and I consider that one of the principal responsibilities of the FBI and its Director is to prove that this can be done.

I believe in the FBI as a vital American institution. When it is criticized I will look into the the charges to determine whether they have any validity. If so, I will make the changes necessary to maintain the FBI's posture as the finest investigatory agency in the world. If they are not valid, I will defend the FBI with all of the personal energies and capabilities at my command.

THE ROLE OF THE INTERNATIONAL COURT IN GENOCIDE DISPUTES

Mr. PROXMIRE. Mr. President, there has been much confusion and many unfounded charges regarding the role of the International Court of Justice in the settlement of disputes arising under the Genocide Convention.

The easiest charge to dismiss is the contention that U.S. citizens might be hailed before an international court on charges of violating the convention. This is impossible since the International Court of Justice has no penal or criminal jurisdiction.

There is, however, a role for the World Court in adjudicating disputes relating to the interpretation, application or fulfillment of the convention, including the assessment of responsibility of a state for genocide. It is important to remember, though, that the role of the court is limited to interpretation, and does not include actual judgment of specific cases. Similar provisions for interpretation by the World Court are included in many multilateral and bilateral convention to which the United States is a party. Furthermore, many signatories to the convention, notably Communist-bloc countries, have ratified the treaty while stipulating that they are not subject to article IX, which provides for World Court adjudication. The United States could invoke this reservation in its own behalf in cases brought against it.

It is indeed probable, however, that concern over the role of the World Court is groundless because the problem will never arise. Very few disputes of any nature, and none relating to the Genocide Convention, have been brought before the Court in its history. And even if the United States were charged with a breach of the treaty and found in default of its obligation, there would be no consequent penalty, since the Court has no enforcement powers.

It is well to echo the conclusions of the report of the Committee on Foreign Relations in this matter:

> The fears expressed about the role of moribund court in genocide matters appear very far fetched.

HARRY S TRUMAN

Mr. BROOKE. Mr. President, Harry Truman was a common man with extraordinary talent. He made no pretensions to wealth, sophistication, or power. He was a country boy who went to the city to match wits with the best of the city politicans. He would live to match wits with the world's great statesmen.

Born and raised in the lovely State of Missouri, Truman gained a deep appreciation for the goals and aspirations of America's common man. Like many Americans at the time, he had to forego college because there simply was not enough money. So he educated himself. His Secretary of State, Dean Acheson, used to tell of the time that the President, responding to a query on the Middle East, lectured the startled Secretary on the very complicated history of that area, leaving the knowledgeable Mr. Acheson quite breathless over the breadth of his expertise.

After serving honorably as a captain in the First World War, Truman married his childhood sweetheart, Bess, who later became known as "the Boss" around the Truman household. He sunk his life earnings into a haberdashery only to suffer the agony of the depression. Although he went bankrupt, he proudly pointed out that he paid back every creditor. Honesty would be a hallmark of his rich, amazing life.

His political career was launched with his election to be a county judge and by 1934 he was serving in the U.S. Senate. As a Senator, Truman distinguished himself as an independent man, always putting the interests of the people first. He never shunned the weight of difficult decisions. He never waivered from what he thought right to do. Rarely have Americans been gifted with such a courageous man, and it was this courage that would manifest itself when Harry Truman went to the White House.

Taking the reins from a giant among Presidents, Truman proved indomitable. Few men have faced decisions of such magnitude and scope; few men have met them with such verve. Analysts often single out the decision to drop the atomic bomb, and indeed, who amongst us would wish to decide such an issue? Yet, he never flinched; new to the office, he never tried to shirk the responsibility.

The atomic explosions brought an end to the war and the end of the war brought to America new problems, new complexities, new roles. The decisions were as hard as they were many: reconstruction of Europe and Japan; defense of Greece and Turkey; the building of NATO; the creation of the United Nations; the Berlin airlift; the Korean war; the dismissal of General MacArthur. Many men would buckle under such weight but not Mr. Truman. "Captain Harry"—as he loved to be called—rose to each occasion, judiciously leading us through those difficult days. Many have come to regard those days as among our Nation's finest.

And let us not forget his bold initiatives in domestic policies. As President, he put before the Congress legislative ideas which took the American public 15 years to grasp and accept. He knew in his heart that health care for our citizens and civil rights of all Americans were "the right thing." I well remember those days—days of hope, days of enthusiasm. And though it would take years for his ideals to manifest themselves, the man from Independence had broken the ground.

As I look back over the dizzying succession of events in the Truman years, I am awed by the personal stamp he left both here in America and throughout the world.

He was instrumental in restoring peace to a shattered world and dignity to a doubting mankind. He fought against injustice; for freedom. Against ignorance and deceit; for truth. He was healer in wounded times. An inspiration. A leader.

Most men would relish the thought of leaving such a legacy but it would be incomplete in Mr. Truman's case. I have always felt that he was more than his many magnificent achievements, greater than his incisive decisions. I think his greatness lies in his love of life itself, his joy in action, his delight in friends. These are qualities which have been recognized throughout the ages as fundamental to a good and noble life. Harry Truman was a man to whom such marvelous traits came naturally. And in a country whose system of government is based on unbridled faith in the wisdom of the individual citizen, I think no kinder words can be said, no greater tribute paid.

If Harry Truman was anything, he was "plain folk" as he once described himself to old friends visiting the White House. A haberdasher leading America into an entirely new area of international relations. A country farm boy about whom Winston Churchill said:

> You, more than any man, have saved Western civilization.

In a time when politics is increasingly frowned upon and politicians increas-

ingly scorned, we forget that there were men like Harry Truman who possessed a truly genuine rapport with the people. A great campaigner, he naturally drew people to him with his vibrant personality. And despite all the trappings of office, all the power and the glory, Harry Truman remained true to these people and true to their values and beliefs.

No one can measure the love Americans had for this great man just as no words can express the true measure of his contribution to our country. But in a land so dedicated to the people, I think the words of Edward Folliard captured the essence of Harry S Truman when he described the reaction of the people to Mr. Truman as the President barnstormed the continent during his stunning 1948 presidential campaign. Wrote Folliard:

> They like "Harry", those people who have been gathering along the railroad tracks all across the continent and down the Pacific coast. They like him a lot. You can see it in their faces as they look up at him there on the rear platform of the Ferdinand Magellan, smiling and waiting for the high school band to finish Hail to the Chief and the Missouri Waltz.

We will miss this man. Americans have lost a gifted servant and a treasured friend. To his lovely widow and devoted daughter, my family and I express our sincere condolences, grieving at his loss, rejoicing in his life.

CODE OF BILLING AND COLLECTION PRACTICES

Mr. SAXBE. Mr. President, it is in the interest of the public that the consumer loan industry maintain a high degree of self-regulation and the highest standards in the conduct of its business. I was gratified, therefore, to note that the National Consumer Finance Association, recently, recommended to all member companies that they adopt a code of billing and collection practices promulgated by the Sub-Council on Credit and Related Terms of Sale.

The National Business Council for Consumer Affairs was created by President Nixon by Executive order dated August 5, 1971. The National Consumer Finance Association, organized in 1916, is the national trade association of companies engaged in the consumer installment credit industry. NCFA represents nearly 1,000 member companies operating approximately 18,000 loan and finance offices. Essentially, the business of these companies is primarily direct credit lending to consumers and the purchase of sales finance paper on consumer goods. However, some members have retail subsidiaries, other are subsidiaries of manufacturers, others are subsidiaries of highly diversified corporations and a growing number are subsidiaries of bank holding companies.

A summary of the code of billing and collection practices follows:

First. Creditors should fully explain to their customers the terms of any loan or other credit transaction.

Second. Creditors who mail bills to customers should do so as soon as possible after the billing cycle ends—at least 2 weeks before the next payment is due.

Third. Calls or correspondence from a customer claiming an error in billing should be acknowledged promptly.

Fourth. Consumer credit collection practices should be based on the presumption that every debtor intends to repay, or would repay if able.

Fifth. Late charges should be assessed only to the extent necessary to recover overall expenses caused by the delinquency.

Sixth. Customer complaints concerning collection practices should be investigated immediately.

Seventh. Collectors should be instructed to attempt to initially determine the cause of the delinquency and to indicate willingness to arrange a mutually satisfactory repayment schedule, when appropriate.

Eighth. Customers who show a sincere desire to repay their debt should be offered, if necessary, extended repayment schedules, refinancing arrangements, or similar methods that would help reestablish their solvency.

Ninth. If the customer does not respond to an offer to help make alternative arrangements, the collector should explain the seriousness of continuing delinquency and advise the customer of the courses of action open under the contract and under the law.

Tenth. While collectors have an obligation to disclose honestly to debtors and endorsers the remedies that may be invoked against them, legal action should not be cited unless it can and will be used.

Eleventh. Telephone calls should be placed between the hours of 8 a.m. and 8 p.m. unless other times are more convenient for the customer.

Twelfth. Outside collection agencies, attorneys, process servers, and other agents employed to collect delinquent accounts should be furnished with written instructions on how customers are to be approached, which practices are sanctioned and which are not.

Thirteenth. Credit grantors should be particularly careful in handling delinquencies due to a customer's dissatisfaction with the goods or services financed.

This code was endorsed by the NCFA board of directors in response to the growing concern of its membership to counteract past abuses in collection problems and improve the creditor-debtor relationship in the business community. The board believed that the endorsement of this code would engender greater confidence on the part of the consuming public in the extension of consumer credit and in the fairness with which just debts are collected.

WIRETAP STATUTE UPHELD

Mr. McCLELLAN. Mr. President, in 1968, the Senate overwhelmingly approved the use of court authorized and stringently supervised wiretaps in the investigation of certain Federal offenses. By a record vote of 68 to 12, this Body resoundingly defeated a motion to strike title III of the Omnibus Crime Control and Safe Streets Act of 1968, which contained the surveillance provisions.

It was argued in 1968, both in and out of Congress, that these provisions were inconsistent with our cherished traditions of privacy under the fourth amendment. I argued here on the Senate floor that title III was carefully drawn to meet the requirements the Supreme Court laid down in *Berger* v. *New York*, 388 U.S. 41 (1967) and *Katz* v. *United States*, 389 U.S. 347 (1967) and that if title III was challenged in the courts, I believed it would be sustained.

I am pleased to report that the Senate's judgment in passing title III is now being vindicated in the courts. Two U.S. Courts of Appeal have already sustained the statute. In *United States* v. *Cox*, 449 F. 2d 679 (10th Cir. 1971), *cert. denied*, 406 U.S. 934 (1972), the Tenth Circuit upheld title III. In *United States* v. *Cox*, 462 F. 2d 1293 (8th Cir. 1972), the Eighth Circuit upheld the statute. Numerous district courts have also found the statute constitutional. Indeed, only one district court judge to date has found the statute defective. In *United States* v. *Whitaker*, 343 F. Supp. 358 (E.D. Pa. 1972), Chief Judge Joseph S. Lord III held that title III did not meet the tests of *Berger* and *Katz*.

I am pleased to report now, however, that the third circuit has just rejected the reasoning of Whitaker. In *United States* v. *Cafero*, No. 72–1577, decided January 30, 1973, the court of appeals, in a masterful opinion by Circuit Judge Ruggero Aldisert, took up each of the points in Judge Lord's opinion and demonstrated their fallacious character. Since Judge Lord's district lies in the third circuit, the Cafero opinion deprives Whitaker of all force and effect.

Mr. President, I welcome the Cafero opinion and extend my congratulations to the Justice Department—particularly to Mr. Sidney M. Glazer and John J. Robinson of the Criminal Division, the attorneys who have had to carry the burden of much of the appellate litigation in the surveillance field. If the Congress, the Department of Justice, and the courts can work together, consistent with the Constitution, I believe that we can stem the tide of crime that has risen in our country in recent years. I, therefore, welcome the signs now beginning to emerge which indicate there will be greater harmony and cooperation between the three separate but equal branches of our Government in battling crime and thus making safe again our homes, our streets, and our places of business from the invasion and assaults of this aggressive and persistent enemy of civilized society.

I ask unanimous consent to have the Cafero opinion printed at this point in the RECORD as a part of my remarks.

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

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT—NOS. 72–1577 AND 72–1578

(United States of America *v.* Joseph E. Cafero, also known as Ernie; Dominick Vinciguerra also known as Dom; Adam Di Lauro, also known as Tommy; Peter Maleno, also known as Pete; Elvera Auferio, also known as Mary; Florence Griffin; Joseph Ferringo, also known as Joe; Donna Teti; Josephine Amarose, also known as Josie; John Cancelli; Joseph E. Cafero, also known as Ernie, *Appellant in No. 72–1577;* Dominick Vinciguerra, also known as Dom, *Appellant in No. 72–1578*)

(D.C. Criminal No. 70–445)

[Appeal From the United States District Court For the Eastern District of Pennsylvania]

OPINION OF THE COURT

ALDISERT, *Circuit Judge.*

Appellants were tried in the district court on multicount indictments charging conspiracy and use of interstate facilities in aid of an illegal gambling enterprise in violation of 18 U.S.C. § 1952. Cafero was found guilty on both counts; Vinciguerra, on the conspiracy count. The questions presented for review in these appeals are: whether Title III, Omnibus Crime Control and Safe Streets Act of 1968, 18 U.S.C. §§ 2510–20, offends the Fourth Amendment and is therefore unconstitutional; whether, assuming constitutionality, there was compliance with the statutory requirements of Title III; whether the indictment was sufficient; and whether the trial court improperly admitted certain evidence.

The government's proof demonstrated that Cafero was a principal in an illegal numbers lottery operating in Philadelphia. Bets were placed on a daily three-digit number which was computed from the parimutuel results of specified races at Florida race tracks. The results of these races were telephoned to Cafero. This transmittal was made within a half-hour after the completion of each race. The origin of the calls to Cafero was not placed into evidence, but because of the time factor between the end of the race and the communication of the results, the government relied on the permissible inference that the calls originated in Florida and terminated in Pennsylvania.[1] After receiving the telephonic information, Cafero would call Vinciguerra and others, informing them of the winning digits. Evidence of this operation was received from a government telephone tap placed on Cafero's telephone following court authorization under Title III.

Application for the court-ordered telephonic interception was made by the FBI and supported by affidavits of two informers, one of whom had been providing information to the FBI "for a period exceeding four years, such information resulting in two Federal convictions in the gambling field and 20 local gambling arrests." It was averred that the second informant had consistently provided Philadelphia police with trustworthy information, and that both informants obtained their information from personal observations and from Cafero himself.[2] The court order authorized interception for fifteen days subject to earlier termination if the objectives were attained. The wiretap began on January 17, 1970, and terminated seven days later on January 24, 1970. Within ninety days of this termination, the government requested a postponement of the filing of the inventory required by 18 U.S.C. § 2518(8)(d). On April 21, 1970, a court order authorized such a postponement for thirty days. The inventory was filed on May 12, 1970, within the authorized postponement period.[3] At trial, appellants made appropriate motions to suppress the evidence on grounds properly noticed in these appeals.

Footnotes at end of article.

I.

Before this court, appellants have the advantage of the thoughtful opinion of Chief Judge Joseph S. Lord, III, in *United States v. Whitaker,* 343 F. Supp. 358 (E.D. Pa. 1972), in which Title III was held unconstitutional. Appellants rely heavily upon this opinion in mounting their constitutional attack. Bound by pronouncements of the Supreme Court, the *Whitaker* court accepted as bedrock the principles enunciated in *Lopez v. United States,* 373 U.S. 427 (1963); *Osborn v. United States,* 385 U.S. 323 (1966); *Berger v. New York,* 388 U.S. 41 (1967); and *Katz v. United States,* 389 U.S. 347 (1967). Thus, *Whitaker* does not accept *in ipshis verbis* the theory that there may never be constitutionally permissible eavesdropping.[4] Rather, *Whitaker* holds that the statutory procedures of Title III do not comport with the rigid requirements for constitutionally permissible court-supervised interceptions as formulated by the Supreme Court.

This formulation was perhaps best expressed by Justice Stewart in *Katz, supra,* 389 U.S. at 355:

[U]nder sufficiently "precise and discriminate circumstances," a federal court may empower government agents to employ a concealed electronic device "for the narrow and particularized purpose of ascertaining the truth of the . . . allegations" of a "detailed factual affidavit alleging the commission of a specific criminal offense." *Osborne v. United States,* 385 U.S. 323, 329–330."

Although dissenting in *Lopez v. United States, supra,* Justice Brennan acknowledged that lawful electronic surveillance was possible: "The requirements of the Fourth Amendment are not inflexible, or obtusely unyielding to the legitimate needs of law enforcement. It is at least clear that the procedure of antecedent justification before a magistrate that is central to the Fourth Amendment' . . . could be made a condition of lawful electronic surveillance." 373 U.S. at 464.

Thus, prior to embarking upon an analysis of appellants' *Whitaker*-based argument, we reject their contention that the Fourth and Fifth Amendments preclude *any* electronic surveillance. Their suggestion that such a conclusion is commanded by *Boyd v. United States,* 116 U.S. 616 (1886), which reviewed the celebrated English case of *Entick v. Carrington and Three Other King's Messengers,* 19 HOWELL'S STATE TRIALS 1029 (1765), was rejected in *Berger, supra,* 388 U.S. at 49–53.

II.

Whitaker found Title III constitutionally deficient in three respects:

1. Section 2518(5), which permits interception for up to a thirty-day period, and allows for court-authorized extensions, was found to present "the constitutional objection to lenthy continuous surveillance expressed in Berger. Title III's intrusion is not 'precise' nor carefully circumscribed' nor 'very limited.' The fact that it permits 30-day continuous searches which are only half as long as those condemned in Berger is a distinction without constitutional significance. This aspect of Title III alone renders the Act unconstitutional." 343 F. Supp. at 365–66.

2. Title III was found to lack specific guidelines restricting the executing officer's discretion. "It is left to the executing officers to determine when they have learned enough details concerning enough people about the offense in question so that they should and must stop their interception because the authorized objective has been attained. . . . While Title III is a significant improvement from the New York statute found unconstitutional in Berger, it still lodges too much discretion in the executing officers to comply with the Constitution." 343 F. Supp. at 367.

3. Finally, *Whitaker* found that Title III "provides for unreasonable searches and seizures by not requiring prompt notice after authorized surveillance has been completed to those people whose conversations have been intercepted." 343 F. Supp. at 368.

1.

Initially, we do not agree with the *Whitaker* court's observation that "Title III's intusion is not 'precise' nor carefully circumscribed' nor 'very limited.'" 343 F. Supp. at 365. Section 2518(1)(b) provides that the application must contain "a full and complete statement of the facts and circumstances . . . of the type of communications sought to be intercepted." The application must contain details of the particular offense, and "a particular description of the nature and location of the facilities" where the interception is to be made. 18 U.S.C. § 2518(1)(b). Moreover, after considering the application, the judge may issue an intercept authorization only after making the specific findings required by section 2518(3), including the existence of probable cause, and must include in the authorization:

"(a) the identity of the person, if known, whose communications are to be intercepted;

"(b) the nature and location of the communications facilities as to which, or the place where, authority to intercept is granted;

"(c) a particular description of the type of communication sought to be intercepted, and a statement of the paticular offense to which it relates;

"(d) the identity of the agency authorized to intercept the communications, and of the person authorizing the application; and

"(e) the period of time during which such inteception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described communicaion has been first obtained."

18 U.S.C. § 2518(4).

Confronted with the argument that the intrusion authorized by Title III is not sufficiently "precise," "circumscribed" or "limited," the Tenth Circuit responded succinctly and, in our view, properly: "As we view it, Congress was seeking to deal realistically with highly complex problems in accordance with the demands of the Constitution. We are unable to say that the product fails to satisfy the Constitution. Every effort has been made to comply with the requirements of *Berger* and *Katz.* Section 2518(4) of Title III is as precise and discriminate in its approach as are the demands of *Berger* and *Katz." United States v. Cox,* 449 F.2d 679, 687 (10th Cir. 1971), *cert. denied,* 406 U.S. 934 (1972).

Implicit in Judge Lord's rejection of the thirty-day maximum requirement of section 2518(5) is an unspoken premise that a shorter time might have passed constitutional muster. A good case can be presented, however, that a fifteen-day period would also not have been sufficiently restrictive in his view, for the order in *Whitaker* was for a fifteen-day search with reports on the fifth and tenth days. 343 F. Supp. at 366, n. 10. This day-counting approach to constitutional acceptability, however, misses the mark because it overlooks what we perceive to be the clear Congressional intent that: (1) the length of interception in each case be determined by judicial decision on a case-by-case basis,[5] (2) the interception be terminated automatically, not necessarily on a predetermined calendar date, but when the objective of the authorization is achieved, 18 U.S.C. § 2518(5); and (3) while there is a maximum statutory life span of thirty days for each approval order, each interception has the very real potential of earlier extinction, 18 U.S.C. § 2518(6).

The thirty-day period contemplated by Title III is a statutory *maximum,* not an automatic authorization for continuous interceptions for thirty days. *Whitaker* construed 18 U.S.C. § 2518(4)(e) as making auto-

matic termination discretionary with the issuing judge, thus permitting continued interception without a showing of probable cause after the first sought communication has been obtained. In this respect, Judge Lord observed:

"If a judge exercised certain discretionary powers which the Act gives him, the order may not violate the Fourth Amendment. The difficulty, though, is precisely that those powers are discretionary and not mandated. It follows that the Act does not command a constitutional order; it permits an unconstitutional one."

343 F. Supp. at 363.

We do not agree with this interpretation of the Act. Section 2518(4)(e) must be interpreted in light of section 2518(5) which provides:

"No order entered under this section may authorize or approve the interception of any wire or oral communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than thirty days. . . . Every order and extension thereof shall contain a provision that the authorization to intercept . . . must terminate upon attainment of the authorized objective, or in any event in thirty days."

We do not read this section as providing for automatic termination upon attainment of the objective of the authorization only if a statement to this effect is included in the authorization pursuant to section 2518(4)(e) and, in the absence of such a statement, as permitting continuous surveillance for a period of up to thirty days. Rather, we interpret section 2518(5) as requiring automatic termination upon attainment of the objective of the authorization irrespective of whether a statement to this effect has been included by the authorizing judge. Thus, the thirty-day period provided in the statute does not represent the statutory life of all authorizations not containing a statement requiring termination upon attainment of the objective. Instead, the thirty-day period is merely a statutory limitation on the life of any authorization, which terminates every authorization at the end of thirty days regardless of whether the objective of the authorization has been achieved. We find support for this position in the language of section 2518(1)(d) which requires that where automatic termination is not desired upon obtaining the described communication, the application must specifically set forth facts establishing probable cause to believe that additional communications of the same type will be received. We conclude, therefore, that section 2518(4)(e) must be construed as requiring automatic termination upon interception of the first sought communication or the achievement of the interception's objective unless the judge finds probable cause to justify continued surveillance.

Thus, the offensive autocracy of the calendar condemned in *Berger* has been supplanted by judicial authority in the first instance, by the right of *sua sponte* judicial review at any time, and by the expiration of statutory authority to continue the interception once the objective has been achieved. Carte blanche is given no one. Executing officers are not free to interpret beyond attainment of their objective for an hour, a day, seven days, or twenty-nine days. They are allotted time to achieve an objective, period. Should they intercept beyond this time, they have violated the Act.

We find nothing in this statutory schema to offend the standards previously expressed by the Supreme Court regarding the temporal aspects of the authorization. Accordingly, we reject the *Whitaker* rationale and align this court squarely with the other circuits which have addressed this issue. In *United States v. Cox*, 462 F.2d 1293, 1303 (8th Cir. 1972), the court said:

"We do not, however, read *Osborn*, *Katz* and *Berger* as holding that only "rifle shot" eavesdrops are constitutionally permissible.

"Obviously an electronic search extending over a period of time will encompass overhearing irrelevant conversations, but the search of a building will likewise involve seeing and hearing irrelevant objects and conversations. [See *Berger*, *supra*, 388 U.S. at 108.] We therefore reject the assertion that only single-conversation interceptions are constitutionally permissible, and we agree with the Tenth Circuit [*United States v. Cox*, *supra*, 449 F.2d 679] that *Berger*, *Katz*, and *Osborn* do not indicate the contrary. We read those opinions as saying that "adequate judicial supervision or protective procedures" [*Berger*, *supra*, 388 U.S. at 60] such as are required by this Act provide the reasonableness which the Fourth Amendment requires."

Conceding that Title III as construed by this court requires mandatory termination and therefore minimizes interceptions, appellants nevertheless urge that the mandatory termination aspects of the Act are illusory.[8] It is claimed that once probable cause exists to justify the initial interception, the actual interception of a described communication will a *fortiori* establish probable cause for continued surveillance. This argument prompts numerous observations. First, it ignores the statutory requirement that continued interceptions require a new showing of probable cause, 18 U.S.C. § 2518(1), (3), (5), and any such additional surveillance is subject to effective judicial supervision. That is, the statutory schema requires the judicial officer to be aware of the on-going nature of the surveillance; in his discretion, he may order periodic reports or interpose any other appropriate safeguards. 18 U.S.C. § 2518(6). More important, the demonstration of probable cause for continued surveillance and the application for such surveillance are also subject to section 2518(3)(c) which requires that the authorizing judge find that "normal investigative procedures have been tried and have failed or reasonably appear to be unlikely to succeed if tried or to be too dangerous." We are not so naive as to assume that the possibility of abuse does not inhere. "Bootstrapping," the phenomenon of one interception begetting another in the guise of probable cause, may occur. However, this possibility does not render Title III facially unconstitutional. Rather, alleged departures from the strictures of the statute are best dealt with on a case-by-case basis.

2.

The Whitaker court found "too much discretion in the executing officers to comply with the Constitution." 343 F. Supp. at 367. This conclusion is closely related to that court's prior conclusion that Title III permits continuous extended interceptions of the type held unconstitutional in Berger. However, [t]he dragnet nature of the New York law [in Berger] resulted not only from the duration of the warrant, but also from the failure to confine the investigator's latitude with . . . various safeguards. . . ." United States v. Cox, supra, 462 F.2d at 1303. Thus, it appears that this conclusion was prompted by the Whitaker court's interpretation of section 2518(4)(e) as subjecting automatic termination to the authorizing judge's discretion under section 2518(5), rather than making it mandatory. As heretofore discussed, we have concluded otherwise. Title III allows the executing officer considerably less discretion that the New York statute in Berger. No longer can the officer continue surveillance without effective judicial supervision. If surveillance is improperly continued after the authorization has terminated, such surveillance is unlawful and subject to suppression. 18 U.S.C. § 2518(10)(a).

Footnotes at end of article.

Moreover, a comparison is invited to the judicial supervision involved in typical searches for tangible objects, where the possibility exists that the executing officer may search beyond the scope of his warrant. The traditional means of curbing such conduct has been indirect judicial supervision through suppression of unlawfully seized evidence. This marks a critical difference between the condemned New York law and Title III. By terminating interception upon attainment of the objective, Title III has made it possible for courts to exclude evidence obtained through continuation of the interception after the authorization has terminated. Under Title III, the time at which the authorization terminated is an ascertainable fact. Such a determination could not be made under the New York law which contained no automatic termination provision. Thus, under Title III suppression provides a realistic remedy—unavailable in Berger—for abuse of discretion by the executing officer.

Whitaker refers to an alleged inability to describe with particularity the nature of the information to be intercepted. Because the court concluded that "more specific guidelines" must be given the executing officers, too much discretion is vested in the officers, and therefore, the Act is unconstitutional. However, Whitaker never indicates what these guidelines should be, and intimates that it is impossible to fashion them. 343 F. Supp. at 366. Thus postured, this argument is but a paraphrase of the thesis that the very nature of the search for oral communication by the use of electronic devices is flatly proscribed by the Constitution. See Justice Douglas' dissent from the denial of certiorari, Cox v. United States, 406 U.S. 934 (1972). This approach was explicitly rejected by Osborn, Berger and Katz.

Moreover, Title III contains a noteworthy emphasis on particularities. "[A] particular description of the type of communication sought to be intercepted" is required. 18 U.S.C. § 2518(1)(b)(iii), and (4)(c). The application must contain a full and complete statement of facts, including details of the particular offense, and a particular description of the nature and location of the facilities where the interception is to be made. 18 U.S.C. § 2518(1)(b). The judge may even require the applicant to furnish additional evidence. 18 U.S.C. § 2518(2). The judge must make specific findings of fact prior to authorizing interception of a communication. 18 U.S.C. § 2518(3). Additionally, provision is made for relief in the event that "the order of authorization . . . is insufficient on its face," "the interception was not made in conformity with the order of authorization," or for any other reason "the communication was unlawfully intercepted." 18 U.S.C. § 2518(10)(a). We reject, therefore, the contention that Title III vests too much discretion in the executing officer because of an unavoidable lack of precision in describing the proposed object of the interception. Suppression remains the appropriate remedy when imprecisions in an application or a warrant attain constitutional dimension, or when execution of the warrant is improper.

3.

Finally, the *Whitaker* court found Title III deficient "by not requiring prompt notice after authorization surveillance has been completed to those people whose conversations have been intercepted." 343 F. Supp. at 368. "While the question of post-search notice is admittedly a novel question under the Fourth Amendment, considering a heritage which does not include secret searches, we find a violation because '[t]he Amendment is to be liberally construed and all owe the duty of vigilance for its effective enforcement lest there shall be impairment of the rights for the protection of which it was

adopted.' Go-Bart Importing Company v. United States, 282 U.S. 344, 357, 51 S.Ct. 153, 158, 75 L.Ed. 374 (1931)." 343 F. Supp. at 369.

For support of this novel proposition, the court did not rely on *Berger* or its progeny. Instead, it reasoned: "Secret searches by definition reach the outer limits of what is permissible under the Fourth Amendment, but then to delay notice to the subject of the search for a substantial period of time because it might hamper an investigation is in our view well beyond the bounds of the Constitution." 343 F.Supp. at 369.

There is superficial appeal to this contention, especially the dangers of extending this concept to the area of traditional searches, and the observation that while Title III requires a notice to the person named in the order, 18 U.S.C. § 2518(8)(d), it does not guarantee disclosure to him of the inventory, nor does it provide mandatory notice to persons not named in the order, although the issuing judge may so direct. But the "secret search" argument is quite another thing. Indeed, the Supreme Court has already ruled that a secret electronic surveillance may comport with the Fourth Amendment. *Lopez, Osborn, Berger and Katz, supra.*

We find it difficult to accept the proposition that a search may be deemed reasonable, and therefore constitutional, during the various stages of application for authorization, execution, supervision of the interception, and termination, only to be invalidated *ab initio* because of the operation of some condition subsequent, to-wit, a failure to give notice of the items seized. In the context of traditional search warrants, a failure to comply with certain procedural requirements of F.R.Cr.P. 41 has been held not to amount to deprivation of Fourth Amendment rights necessitating suppression. Thus, failure to deliver a copy of the warrant to the party whose premises were searched until the day after the search does not render the search "unreasonable" in terms of the Fourth Amendment. *United States v. McKenzie,* 446 F.2d 949 (6th Cir. 1971).[7] Similarly, delay in execution of the warrant does not render inadmissible evidence seized, absent a showing of prejudice to the defendants resulting from the delay. *United States v. Harper,* 450 F.2d 1032 (5th Cir. 1971). Finally, the return of a warrant has been held to be a ministerial task, and failure to include an item in the inventory attached to the return does not require suppression of the particular item. *United States v. Moore,* 452 F.2d 569 (6th Cir. 1971), *cert. denied,* 407 U.S. 910 (1972).

In the context of electronic surveillance, we are aware that this court has held that a "complete and deliberate failure to file any inventory" is not merely a failure in a "ministeral" aspect of the surveillance. *United States v. Eastman,* 465 F.2d 1057 (3d Cir. 1972). In suppressing evidence in *Eastman,* we pointed out that "(t)he touchstone of our decision on this aspect of the case at bar is not one in which an inventory was delayed but rather is one in which specific provisions of Title III were deliberately and advertently not followed." 465 F.2d at 1062. Suppression was mandated by 18 U.S.C. § 2515 which "imposes an evidentiary sanction to compel compliance with the other prohibitions of the chapter." 1968 U.S. Code Cong. and Admin. News, 2184. In *United States v. LaGorga,* 336 F. Supp. 190 (W.D.Pa. 1971), Judge Weis distinguished the case of delay in filing notice after the surveillance had been completed from the facts of *Eastman.* We believe this distinction is relevant here for it points out that in *Eastman* the failure to comply with the provisions of Title III was begun in the authorization stages of that surveillance and persisted throughout the entire procedure. The authorizing judge in *Eastman* expressly "waived" the post search notice provisions of Title III at the time he authorized the interception. *LaGorga* and *Eastman* make it clear, therefore, that the suppression in *Eastman* was statutorily mandated by its peculiar facts. Furthermore, any Fourth Amendment overtones of *Eastman* result not from post-search ministerial delay or error, but from a deliberate attempt initiated prior to the search to avoid procedures mandated following the search.

It would appear that in the literal context of the Fourth Amendment, post-search notice of an electronic interception may properly relate only to the issue of "reasonableness" in the conduct of "searches and seizures." It is established federal practice that a traditional search warrant be returned to the issuing magistrate, F.R.Cr.P. 41(c), that the warrant may be executed and returned only within ten days after its date, that the person from whom or from whose premises the property was taken be given a copy of the warrant and a receipt, that an inventory be made which accompanies the return, and that the issuing authority upon request deliver a copy of the inventory to the person from whom the property was taken. F.R.Cr.P. 41(d). The unique nature of oral surveillance precludes utilization of identical procedures. Title III requires that an inventory be filed within a reasonable time but not later than ninety days after the filing of the application for an order. This inventory must include notice of the (1) fact of the entry of the order, (2) the period of interception, and (3) whether actual interception took place. Upon motion, the issuing court may make available such portions of intercepted communications "as the judge determines to be in the interest of justice." 18 U.S.C. § 2518(8)(d).

We do not share the *Whitaker* court view that this procedure lacks the degree of promptness required by the Constitution. As we have observed, the constitutional standard for searches and seizures relating to both tangible objects and communications is the reasonableness of the governmental action. Only unreasonable searches and seizures are beyond the constitutional pale. A statute which requires an inventory to be filed within "a reasonable time" cannot, without more, be said to offend this test. If, in a given case, there is undue delay, that contention may be pressed in an appropriate averment alleging non-compliance with the statute. The vice of unreasonable delay is a factor to be measured within the contours of the statute, and should not be used to shape those contours into an unconstitutional form. Simply stated, the Congressional mandate places a premium on reasonable notice of the inventory. If this is found lacking, then there has been no compliance. Clearly, however, courts should exercise great care in granting extensions beyond the ninety-day period for the filing of inventories.

The same analysis should apply to inspection of the contents of the interception, which Title III leaves to the discretion of the issuing court "as the judge determines to be in the interest of justice." Where there has been an improper denial of an appropriate motion for inspection, traditional safeguards of due process and orderly trial procedures exist to afford sufficient protection. As an abstract proposition, it may be desirable to mandate the inspection in all instances, but where there are oval interceptions there must be fealty to the concept of privacy.[8] Because any inspection is a publication, there must be concern for, if not concession to, the rights of those parties who figure or participate in the intercepted conversations, but who were not named in the order. It was the Congressional wisdom to entrust the inspection, and therefore publication, to the courts as the subject of judicial decision. The parameters of "the interest of justice" within the statutory schema and the Federal Constitution remain to be fashioned on a case-by-case basis. For our immediate purposes we decide only that the Congressional decision to entrust this inspection to the judicial process is not offensive to the Fourth Amendment. The New York procedure condemned in *Berger* did not "provide for a return on the warrant thereby leaving full discretion in the officer as to the use of seized conversations of innocent as well as guilty parties." *Berger v. New York, supra,* 388 U.S. at 60. We conclude that this objection has been adequately negated by the provisions of Title III.

For these reasons, we reject the holding of *United States v. Whitaker* that Title III is unconstitutional, and thereby place ourselves in agreement with courts of appeals and district courts which have adjudicated the constitutionality of Title III.[9]

III.

Alternatively, appellants argue that the government failed to comply with section 2516(1), concerning who within the Department of Justice may authorize an application for electronic surveillance. This argument is premised on the fact that the Attorney General personally authorized the application, and indicated his approval by initialing a memorandum addressed to Deputy Attorney General Will Wilson which authorized him to perform the ministerial task of informing the particular trial attorney to submit the authorized application to the court. The applicant was sent a letter over Will Wilson's signature which was in fact signed by Henry E. Petersen, then Deputy Assistant Attorney General.[10] Whatever uncertainty previously attended the propriety of this specific procedure has now been resolved by this court adversely to appellants' contentions. *United States* v. *Ceraso,* 467 F.2d 647 (3d Cir. 1972); *United States* v. *Ceraso,* 467 F.2d 653 (3d Cir. 1972).[11]

IV.

Appellants contend that the indictment listed 19 overt acts involving telephone calls none of which were specifically stated to be interstate. Proof at trial showed that 6 of the telephone calls in which Cafero received the "number" were transmitted within thirty minutes of the availability of the race results from Florida.[12] From this evidence, the government requested the jury to draw the inference that these calls were interstate. The jury was repeatedly instructed that they must find an interstate telephone call by a member of the conspiracy in order to convict. We are satisfied that the jury properly weighed the evidence and drew the appropriate inference. Moreover, we are satisfied with the disposition of this point by Judge Fullam.[13]

V.

We have examined appellants' other contentions, including those relating to the reception of evidence, and find them to be without merit. We have concluded that the language of the intercept order, "intercept wire communications of Joseph E. Cafero, and unknown others, *from* the telephone facilities" (emphasis supplied), includes incoming as well as outgoing telephone calls. Evidence of bribery of local police officials was properly introduced not to show a mere propensity of disposition to commit a crime, but for purposes of identification and to prove the conspiracy. The evidence was admissible under the law of this circuit for such a limited purpose. See Judge Biggs' authoritative analysis in *United States v. Hines,* — F. 2d — (No. 72-1312, 3d Cir. 1972). We hold further there was no abuse of the trial court's discretion in admitting newspaper clippings, in allowing testimony based on racing information contained in those clippings and the "Daily Racing Form," and in

Footnotes at end of article.

permitting an FBI agent to testify as an expert witness on gambling matters.

The judgments of conviction will be affirmed.

A True Copy:

Teste:

Clerk of the United States Court of Appeals for the Third Circuit.

FOOTNOTES

[1] Florida law prohibits the dissemination of race results less than one-half hour after the completion of each race except for the feature race. 16 FLA. STAT. ANNO. 550:35 (1)(2).

[2] We find that the issuing judge made proper findings of probable cause, 18 U.S.C. § 2518(3), meeting the requirements of *Aquilar* v. *Texas*, 378 U.S. 108 (1964); *Spinelli* v. *United States*, 393 U.S. 1410 (1969); and *United States* v. *Singleton*, 439 F. 2d 381, 383–85 (3d Cir. 1971).

[3] Upon review of the record we find that the issuing judge did not abuse his discretion in finding good cause for the extension of time. Because the inventory was in fact filed, the doctrine of *United States* v. *Eastman*, 465 F. 2d 1057 (3d Cir. 1972), is not applicable. See pp. 17–18, *infra*.

[4] Professor Ralph S. Spritzer is an articulate advocate of this theory: "Electronic Surveillance by Leave of the Magistrate: The Case in Opposition," 118 U. Pa. L. Rev. 169 (1969). The article adopts the major premise of Justice Douglas' dissent in *Osborn* v. *United States*, *supra*, 385 U.S. at 352: "I would adhere to *Gouled* [v. *United States*, 255 U.S. 298 (1921)] and bar the use of all testimonial evidence obtained by wiretapping or by an electronic device."

[5] "A wiretap can take up to several days or longer to install. Other forms or devices may take even longer. The provision [§ 2518 (5)] is intended to recognize that each case must rest on its own facts." Senate Report, 1968 U.S. Code Cong. and Admin. News, at 2192.

[6] See Schwartz, "The Legitimation of Electronic Eavesdropping: The Politics of 'Law and Order'," 67 Mich. L. Rev. 455 (1969).

[7] See also *United States v. Averell*, 296 F. Supp. 1004 (E.D. N.Y. 1969) (two and one-half year delay in filing warrant return and inventory).

[8] Title III has as its dual purpose (1) protecting the privacy of wire and oral communications, and (2) delineating on a uniform basis the circumstances and conditions under which the interception of wire and oral communications may be authorized. To assure the privacy of oral and wire communications, title III prohibits all wiretapping and electronic surveillance by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified types of serious crimes, and only after authorization of a court order obtained after a showing and finding of probable cause.

Senate Report, 1968 U.S. Code Cong. and Admin. News, at 2153.

[9] In accord with our holding are *United States v. Cox*, 462 F.2d 1293 (8th Cir. 1972); *United States v. Cox*, 449 F.2d 679 (10th Cir. 1971). All of the other district court cases hold that Title III is constitutional. *United States v. Focarile*, 340 F. Supp. 1033 (D. Md. 1972); *United States v. LaGorga*, 336 F. Supp. 190 (W.D. Pa. 1971); *United States v. King*, 335 F. Supp. 523 (S.D. Cal. 1971); *United States v. Lawson*, 334 F. Supp. 612 (E.D. Pa. 1971); *United States v. Becker*, 334 F. Supp. 546 (S.D. N.Y. 1971); *United States v. Perillo*, 333 F. Supp. 914 (D. Del. 1971); *United States v. Leta*, 332 F. Supp. 1357 (M.D. Pa. 1971); *United States v. Scott*, 331 F. Supp. 233, 238–41 (D.D.C. 1971); *United States v. Cantor*, 328 F. Supp. 561 (E.D. Pa. 1971); *United States v. Sklaroff*, 323 F. Supp. 296 (S.D. Fla. 1971); *United States v. Escandar*, 319 F. Supp. 295 (S.D. Fla. 1970), reversed on other grounds *sub nom. United States v. Robinson*, 40 U.S.L.W. 2454 (5th Cir., Jan. 12, 1972), rehearing *en banc* granted, 11 Cr. L. Rep. 2505 (5th Cir., July 21, 1972).

The Supreme Court has discussed Title III, but has not yet passed on the constitutionality of the Act. See *Alderman v. United States*, *supra*, 394 U.S. at 175 (1969); *Gelbard v. United States*, 408 U.S. 41 (1972); *United States v. United States District Court for the Eastern District of Michigan*, 407 U.S. 297 (1972).

[10] Not included in these circumstances is the procedure by which Sol Lindenbaum acted for the Attorney General in authorizing the application which is now *sub judice* before this court in *United States v. Cihal*, No. 72–1201, *en banc*.

[11] Section 2518(1)(e) requires that each application for an order authorizing telephone interception include:

A full and complete statement of the facts concerning all previous applications known to the individual authorizing and making the application, made to any judge for authorization to intercept, or for approval of interceptions of, wire or oral communicatins involving any of the same persons, facilities or places specified in the application, and the action taken by the judge on each such application; . . .

In his application to Judge Lord, Mr. Henderson stated:

No other application for authorization to intercept wire or oral communications from the above-described or any other facility has been made in connection with the instant investigation.

The affidavit of an FBI agent, which was incorporated by reference into the application, indicated that information relevant to this investigation had been obtained from a prior wiretap authorized as part of a separate investigation on a different telephone used by another individual, Monzelli.

Because certain information relevant to the Cafero investigation was acquired from the Monzelli wiretap, appellant argues that the applicant's statement to the issuing court violated the Act, and hence the intercepted material should be suppressed as a violation of S 2518(1)(e). The Monzelli wiretap did not relate to the same facilities and could be considered a separate investigation. Irrespective of Mr. Henderson's oral statement, however, the supporting affidavit disclosed the Monzelli wiretap. Therefore, even if the statement by Mr. Henderson were technically incorrect, any possible error was cured by the disclosure of the other wiretap by the affidavit incorporated in the application.

[12] See note 1, *supra*.

[13] Unquestionably, the indictment is poorly drawn, in that while charging specifically some 19 telephone calls as constituting overt acts in carrying out the conspiracy charged, the indictment does not allege that any of these telephone calls were interstate. It can be argued that the indictment may have been drawn on the theory that any use of the telephone, even for purely local calls, would make out the offense charged, since the telephone is a facility used in interstate commerce since the telephone is a facility used in interstate commerce. *United States v. De Sapio*, 299 F. Supp. 436 (S.D. N.Y. 1969), holds that an actual interstate communication must be found, rather than merely local use of a facility which is sometimes used in interstate commerce; and the present case was submitted to the jury in recognition of this principle

While, again, the issue is not entirely free from doubt, I have concluded that the indictment does adequately charge the crimes defined by the statutes in question. The pertinent language of Court 1 reads, "it was a purpose of the conspiracy that the defendants did use and cause to be used a facility in interstate commerce, namely the telephone, with the intent to carry on and facilitate the carrying on of an unlawful activity, to wit: a business enterprise involving gambling (in violation of state law)." The second Count charges that the defendants "used or caused to be used facilities in interstate commerce, namely the telephone . . . " with the same intent. I believe the langue of the indictment can properly be interpreted as containing all of the elements of the crimes charged. It is, of course, entirely clear that all of the defendants, in the course of the extensive pretrial proceedings, were fully apprised of the precise nature of the government's case, and of the factual issues they would be required to meet.

HOW ONE STATE VIEWS OUR FEDERAL GOVERNMENT

Mr. DOMENICI. Mr. President, during the period of time between my election and the convening of the 93d Congress, I held a series of informal hearings in 23 towns and cities in my State.

The purpose of the tour was to give me some clear feeling, before I came to Washington, of how New Mexico's elected officials and civic leaders really feel about our Federal Government.

Actually, I asked them to share with me their views on two topics: the value of existing or proposed Federal programs, and the kinds of legislation they think are necessary to meet their area's needs.

The response was enthusiastic. Officials, from city and county commissioners through school board members, shared their opinions with directness and candor. Based on their views, I have prepared a report, which I believe can serve this body by reminding it of certain things.

Perhaps the most dramatic of these is that communication between all branches of our government is weak. I believe that the report which I prepared at the conclusion of my tour shows two things very sharply.

The first is that the Federal Government does a sometimes woefully inadequate job of transmitting its aims to State, county, and local governments—even in areas as important as revenue sharing, which may be justly described as a totally new concept in Government relations.

The second is that communications the other way may be at least as bad. My experience showed clearly that there is, in those engaged in government at other levels, a hunger to be heard by us.

It is not my intention to lecture my fellow Senators, but I cannot let this occasion pass without observing that, far from fearing such communications, we must do everything in our power to improve them—both ways, to our fellow citizens and from them.

It is my hope that the report I have prepared may contribute something to ameliorate this failure in communications. It is my further hope that others here will be moved to make something of the same sort of exploratory tour of their own constituents.

If they do, I hope they return from their tours as refreshed as I have been by the quality of our citizens' interest in bettering our Government. I can almost guarantee that they will find, as I have,

a depth of wit and wisdom and a willingness to grapple with the practical problems of everyday government which can serve as a stimulus to us all.

In that spirit, Mr. President, I ask unanimous consent that the report from my tour be included in the RECORD as part of these remarks.

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

HOW ONE STATE VIEWS OUR FEDERAL GOVERNMENT—A REPORT TO NEW MEXICANS

(By PETE V. DOMENICI)

FOREWORD

Between the time I was elected to the United States Senate and the time I was sworn in, I made a tour of 22 towns and cities in New Mexico.

My purpose was to find out, before I went to Washington, how elected officials and civic leaders felt about their federal government and its programs.

The letter of invitation I sent them, attached to this report as Appendix A, shows what I was seeking: their views on existing or proposed federal programs, and their opinions on legislative needs.

The response to this tour was so enthusiastic and the ideas expressed so candid and refreshing that I promised to prepare a report which would attempt to summarize them.

This is that report.

* * * * *

For a long time, it has been my strong feeling that the gap between the federal government and its citizens was a wide one—and growing wider.

My tour was a small effort to narrow that gap by giving city councilmen, county commissioners, and other officials a chance to speak and to be heard.

This report is an effort to spread that hearing further, by circulating the opinions expressed in each town to all other towns, so participants lose that feeling of "aloneness" which so many seem to have when approaching a gargantuan federal establishment.

It also is an effort to communicate those views to others, including perhaps some of my colleagues in Congress, who have most to do with the subject matter to which the hearings were addressed.

* * * * *

New Mexico is a large but sparsely settled state, with a population of just over a million. From Farmington, in its northwest corner, to Hobbs, in the southeast, is about 397 air miles.

The views expressed here are equally widespread, as you will see.

I have chosen (out of some 20,000 words of written notes and 36 hours of tapes made on the tour[1]) those which I thought best typified the tone or tenor of comments which were often repeated. In quoting them, therefore, I have identified the source by his or her official title, rather than by name, to indicate that the view, rather than the individual, is what matters.

The material in the report is admittedly "raw", in the sense that it has not been evaluated. By including it, I do not mean to indicate my agreement with its accuracy; I only want to pass on what people believe to be true, because such subjective states of mind are often as important as provable, objective reality, especially in the realm of government.

[1] A list of the towns in which hearings were held, as well as the dates of hearings, will be found in Appendix B.

I have attempted to impose some order and organization on the material in my method of presentation, but it is possible that the best view of it all may be a kind of impressionistic one. Where opinions are expressed in such a fragmentary way, the end impression may be a synergistic one: the total may actually be greater than the sum of the parts.

* * * * *

Obviously, I am grateful to all those who shared their ideas so frankly with me, as well as to my staff members who helped to preserve those views.

I hope the information the report contains will be used by, as well as useful to, our legislators and other members of our government.

PETE V. DOMENICI,
U.S. Senator from New Mexico.

SECTION 1. RELATIONS WITH THE FEDERAL GOVERNMENT—SOME POSITIVE ASPECTS

Hagerman school superintendents: *"Federal funds actually make local schools possible."*

Tucumcari school superintendents: *"We want any and all federal dollars."*

As later pages in this report make clear, New Mexico's officials see many things wrong with federal programs. They see many things right, too.

Let's begin on the positive note.

There were several of the present grant-in-aid type programs which counties and municipalities spoke highly of.

In Roswell, for example, they discussed an application of the Public Works Improvement Program which set up a program to hire 50 unemployed men in the community to repair and upgrade buildings at the former Walker Air Force Base, which the city had taken over. Because many of those under the program went on to permanent jobs while it was in progress, a total of 150 men were employed at one time or another during the course of the program. The city also got maintenance and repair of facilities which could not have been accomplished otherwise under its budget. "A thoroughly successful program" was the consensus of city commissioners describing it.

Carlsbad also had experience with a PWIP project—this one employing 22 people on a one-project sewer program. Since Carlsbad's employees bargain collectively with the city, all participants in the program, though they were temporary help only, built up seniority on the city's payroll. Here too officials were more than satisfied with the program.[2]

On our tour, we also heard much praise for the Public Employment Program under the Emergency Employment Act. Many officials, such as the Hagerman school superintendent quoted above, called it "a totally good program."

Dona Ana County, for example, had 26 PEP positions, which were filled in time by a total of 52 persons.

Almost the only point raised against this particular federal program was an observation by the mayor of Questa that EEA was so good there should be no limitation on it, such as one which requires the hiring of veterans.

In Taos County, we heard considerable praise for the Community Action Program, and especially for its Headstart Program.

In Espanola, the comment was made that Urban Renewal, though often misunderstood, had been of considerable assistance to small as well as larger cities.

This seemed to be the point of view also in Artesia, where officials told us they would spend some of their revenue sharing money to complete an Urban Renewal project if HUD funds were not forthcoming for it.

From school men around the state, there was considerable praise for federal programs to their institutions.

The superintendent in Taos said, "Federal programs make the difference between mediocre and adequate programs in our schools."

The president of Eastern New Mexico University in Portales was equally sweeping. He said, "The federal government has actually saved higher education in recent years."

Other comments which singled out individual programs were these:

From Penasco school superintendent: "Without Title I, schools would be ten years behind where they are today."

From Bloomfield school superintendent: "P.L. 874, which provides non-categorical funds for impacted areas, is the best piece of legislation ever for schools."

From representatives of the Las Cruces schools: "Title VII [ESEA, 1965] provides bilingual education we would never otherwise have had."

Perhaps the most dramatic comment of this kind came from another superintendent, from Gadsden, who said, "Paraprofessional teacher aides are so helpful in the classrooms that my teachers say they would take cuts in their own salaries rather than lose them."

We also heard much praise from all university and college representatives who shared their views with us for the many programs which make funds available to students for tuition. Especially highly praised was the work-study program, which, as representatives of New Mexico State University in Las Cruces pointed out, is especially desirable because it provides the double benefit of making higher education possible while also providing valuable work experience. New Mexico Institute of Mining and Technology has some suggestions on how this valuable program could be used more effectively.[3]

At Gallup, we heard an interesting observation from a city official, who said, "The funding, no matter what program it comes from, is not what is really important. It's the attitude of the community toward it which makes the difference. That's what really decides whether or not you will get anything done."

* * * * *

Naturally, on such an extensive tour, we heard many positive comments made about federal programs of all kinds. The comments quoted here, however, make up a representative sampling.

I came away from the tour with these conclusions about these aspects of federal funding:

Officials at all levels of government recognize their value; indeed, most recognize that they could not function successfully without them.

But the kind of funding officials appreciate most is the kind where they are able to make direct application of the funds to a specific local problem, rather than having to define an essentially local situation in terms which might be applicable in Portland, Maine, or Portland, Oregon, but do not really describe the way things are in their area of jurisdiction.

Perhaps the reason for that second conclusion will become clearer as you read the next section.

SECTION 2. RELATIONS WITH THE FEDERAL GOVERNMENT—SOME PROBLEM AREAS

Executive director, McKinley Area Council of Governments, Gallup: *"Categorical grants*

[2] Interestingly enough, though many city and county officials, when discussing revenue sharing, seemed reluctant to take on employees "who might be temporary" (see Section 5, below). In these instances, they simply told the personnel they hired that they were not permanent and reported that this caused no real problem at all.

[3] See Section 4, below.

give us 39,000 governments, all separate, all different, often competing for the same grants. The result is that people competitively apply for money they don't really need and can't use properly."

Portales school superintendent: *"What we have today is a fragmented system of fragmented funding."*

To simplify and clarify this section, in which those in attendance at our hearings list their grievances, I have grouped complaints under headings, with a brief summary statement of my own at the conclusion of each section. My major observations will be found at the end of the section.

1. *Generating government grant-in-aid funds is expensive—in both time and money.*

From the mayor of Raton: It is difficult for city officials, normally in office for relatively short terms, to complete grant applications and paper work and see funds granted on a single project during their term in office. The sentence used was, "They wear you out." The mayor expanded this to say he meant, not that these projects fatigue an official, but that the federal government outlasts him.

From city officials in Grants, Silver City and other areas: To obtain funds, a city needs special assistance—a kind of "lobbyist" for money—which small towns can ill afford.

From the mayor of Grants: This small city reports that it has spent a minimum of $20,000 over the last six years in preparing applications for HUD. In every instance, they say, the sequence has gone like this: when the application is submitted, it is tabled because funds are temporarily exhausted; when funds become available, the applications are declared to be outdated and to require updating.

As a specific example, Grants cited an occasion on which a telegram came from HUD saying funds had become available. On inquiry as to what must be done, they were told to update the application immediately. A large number of staff members worked over the weekend complying with the request and then delivering it to Dallas. The end of the story was sad: another telegram from HUD, this one to say, "All funds have been allotted."

From the city commissioner in Springer: "While all the paper work for Operation Breakthrough has been prepared, almost every cost in connection with housing has risen significantly. That means the same basic number of dollars will buy less and less housing, as the paper work goes on and on."

Even after funds are granted, officials point out, there are problems.

From the school superintendent in Santa Fe: Too large a portion of almost every grant-in-aid program goes, not to the program, but to administrative costs.

From the Raton school superintendent: "Just handling funds awarded us under the program to aid children of migrants requires half the time of the man in charge of handling our federal forms."

And from the superintendent of Bloomfield schools came a somewhat wry comment: "I would like to spend some time talking to other superintendents—but they're all too busy filling out forms."

I would conclude that *despite some understandable exaggeration, there are legitimate complaints about investment in time and money required to obtain federal grant funds.*

* * * * *

2. *Many federal grant programs do not seem to be tailorable to our real needs. Sometimes they miss the point entirely.*

From a city offiical in Tucumcari: Continued emphasis on agricultural education is no longer realistic. Why does Washington keep on pushing it?

From the superintendent of a vocational there seems to be plenty of money for recreational facilities, there is none to build clean industrial installations, which are what we really need.

From the superintendent of a vocational school at El Rito: Many of the laws governing funding for post-secondary education specifically require college credit for student aid. By no means all post-secondary education is collegiate, and the non-collegiate type may be even more necessary in some areas than that which provides college credit.

From the city manager in Tucumcari: Programs are not always carefully named or adequately described. Urban Renewal is an example. "Our people were led by the title to expect something the program didn't offer. Because they had the wrong impression, they were disappointed with what they got—though what they got was both good and helpful."

Again, I would conclude that *many officials, especially those in smaller cities, have reason to feel their input on program planning is neither called for nor respected.*

* * * * *

3. *We are frustrated in dealing with existing programs.*

Many smaller towns complained that LEAA funds go almost exclusively to larger cities—partly, perhaps, as a result of decisions at the state level, but possibly as a result of suggestions from higher up. One official in Silver City said, "We get penalized because we're not a 'high-crime' area. Of course, if we don't get thse funds now, when our crime rate is low, we'll gradually become a high-crime area. Then they'll *have* to give us some."

The mayor of Logan complained that it took his city two years to get funds for a sewer project. He was convinced this was because "the central cities get all the benefits."

The superintendent of the Chama school system pointed out a sharp need: for educational specialists who understand the problems and needs of isolated rural areas, which are considerably different from those in urban systems.

And from the Dulce school system, another specific complaint on educators: they need a clearer understanding of the very special needs of Indian children, and a systematic approach to them.

From the Economic Development Agency in Tucumcari: "EDA indexes seem to us to be very strange. We were told that we were 'too rich', when our county is one of the least affluent in the State."

Does it do any good to complain about these things? The Santa Fe school superintendent said no. "You never are allowed to talk to those who can really make changes. The only people you can reach are those who want to perpetuate their own jobs."

From these remarks I would conclude, in addition to my observations under point 2, above, that *some better input apparatus than we presently have is badly needed, both for its real value in hearing what people who work with the programs observe and for the value they place on a sense that they have been heard.*

* * * * *

4. *Many federal programs are simply overregulated.*

Everyone has heard this complaint.

Not all of our hearing participants were as pointed as the Artesia man who cited the fact that OSHA already has a pile of regulations 50 feet high, but the plaint naturally arose with great frequency.

Basic to an understanding of officials' point of view are remarks like those of the superintendent of schools from Tucumcari, which indicate a reasonableness which almost everyone shared. He said, "We don't expect 'no-strings' money. But what we are trying to avoid is 'too-many-strings' money."

But some of the examples given establish clearly how vexing over-regulation can be.

The mayor of San Jon said his small community, a one-clerk, non-paid-mayor town, had to adopt and publish an eight-page ordinance to qualify for funds for a sewer project. After this had been done, they were notified that agency lawyer had now determined that the ordinance they had prepared was not sufficient and that a revised version would be forthcoming. Meanwhile, the project waits. The mayor expressed his reaction as, "It's plumb disgusting."

(Tucumcari officials said in their case the ordinance they were told to pass for a single sewer project ran to 15 full pages.)

In school programs, the complaint was especially sharp.

The superintendent of the Dexter schools told us he had cases in which two or more children from the same family were being funded under entirely different programs. The Penasco schools have only two employees under PEP, but because they are funded under separate Titles, two complete sets of books must be maintained, one for each employee. And the Las Cruces school system said teachers' aides hired to help children under Title VII funding were forbidden to help other children in the same classroom.

In Las Vegas, a school official predicted that no New Mexico school system would ask for funding under the Emergency School Assistance Act of 1972 because it is so full of overdemanding regulations.

Officials of the community college in Roswell complained that it was simply regulations, not logic, which demand that veterans in a technical-vocational school be treated, in matters of sick leave and vacation time, as though they were industrial employees, while those in colleges are treated like students.

"Rigid and inflexible" were the words the Santa Fe school superintendent used to describe guidelines. He added that "they make no provision anywhere for local experience."

A major example was funding under Title I of ESEA of 1965, which requires a "proper" number of economically deprived children enrolled in a single school building before it can become a "target school" under the Act. Thus, educators pointed out, many children get no financial assistance, though their family meet all the other criteria, simply through circumstances over which they have no control. (In Gallup, we were told that parents have gone to the trouble and expense of moving to the area of a "target school" just so their children could have the benefit of this program.)

In Roswell, school personnel complained that when you ask, for example, why you can't move children from one school to another to build a proper mix to qualify under the Act, you are simply told, "That's the way the guidelines are."

There were other observations in this general area.

The Floyd school superintendent said, "Title III funds are for innovative programs. So why do the regulations forbid differential staffing and performance contracting?"

And the Gallup school superintendent was even more sweeping: " 'Accountability,' under these regulations, seems to mean accountability, not to parents or students, but simply to the auditors. Why can't they understand that pre- and post-testing measurements alone are not enough—that self-image and other aspects are at least as important as these considerations?"

Other observations pointed to what the commentators at least viewed as inconsistency in application of the regulations governing actions permitted under various governmental programs.

Farmers in Clovis, for instance, complained

that they were told they could, under the regulations, allow their stock to graze out their harvested wheat fields. Then, after they had done so, they were told this was not permitted.

Others who testified gave more general complaints, rather than such specific examples. In Tucumcari, we were told, with some heat, that "federal guidelines change almost every week." In Las Cruces, the same idea was put this way: "Auditing rules change in midstream."

Some other observers felt that many federal regulations are wasteful.

The Dexter school people said, "Some accountability practices are so difficult, the majority of time must go into reporting, rather than into instruction." The same people said they felt they could accomplish "20 per cent more in the way of results if we really had the control over the money."

A few practitioners under government programs made very penetrating comments.

The man in charge of Roswell's schools said, "The way I see it, under the present system, the men and women who interpret the guidelines become, in practical fact, equal to the makers of the law."

A Hagerman school representative said, "You end up saying, 'I can see the Office of Education people are interested in the rules. But are they interested in the *students?*'"

Finally, the Dexter school superintendent told us, "When five principals I know were recently told their schools had been cut off from funding under a specific program, they actually admitted they rejoiced at the news."

What can one conclude from all this? At least this much: *that many officials operating under federal grants, among whom the school representatives are at least the most vocal, actually feel the guidelines under which they are asked to operate are captious and capricious. When so many feel that way, we should at least suspect that this might be so.*

* * * * *

5. The constant uncertainty over funding under federal programs is hard to bear with.

One official, the mayor of Las Cruces, reacted with asperity to a question. "LEAA?" he said. "We're sorry you mentioned it." He went on to say, By the time their money comes, seven months or more after your program has been approved, the law enforcement problem has already begun to change."

Or, as the Dexter school superintendent said, "Poor planning makes for poor operations. The present funding system makes poor planning inevitable."

A New Mexico state legislator put it this way: "What we have is a system of roller-coaster budgeting, especially for our schools."

All this causes real problems for the political entities concerned.

Time after time, we heard school boards and their representatives say that they budget in the Spring, don't know what funds they will get until after the start of the new fiscal year, and then don't receive funds till long after the start of the school year. Meanwhile, their operating revenues from other sources evaporate.

One school man said, "We're in the second year of our Right to Read program—a good one, but it started in September. As of today, we have not received a single dollar for this scholastic year."

The superintendent of the East Las Vegas schools told us that they had established a bilingual program using Title VII funds which called for a yearly expansion. Then, without warning, at the start of the school year, their funding was abolished.

Another school man complained that the last funds to come were always the money for supplies, and "you need those from the start of the school year."

There was considerable exasperation on the part of the Santa Fe school superintendent, who asked, "How would you like to be told, 'Cut $54,000 from this program—but don't fire anybody'?"

Complaints were most numerous about rumors and programs operating under continuing resolutions.

The Gallup schools said, "The federal people throw around words like 'curtail' and 'cut'. They use some sort of shotgun approach—and they just let the people concerned hang."

Or, as Roswell put it, "When you're under a continuing resolution, 'fear' is the word for everyone concerned."

Grants city officials said they were hiring six people under PEP. As a result of the trepidation under continuing-resolution funding, combined with the federal government's freeze on hiring, they ended up with only two on the job.

As another school official put it, "We'd settle for less money—20 per cent less at least—if only we could know where we stand."

Again, in the face of this preponderance of evidence, I am forced to conclude that *such uncertainty is difficult to live with on a day-to-day basis; if Congress and the Administration can do anything to ameliorate it, they should do so. To accomplish that would improve the return on each tax dollar by an appreciable degree.*

* * * * *

6. Sometimes there are even more serious problems than the ones cited above.

We also heard some more horrendous stories about the way federal programs actually work in practise.

Tucumari, its city manager told us, wanted to build only 20 units of housing for the elderly in a new HUD-financed housing area, with the remainder going to family dwelling units. But HUD insisted on 40 units for the elderly as the proper proportion in the "mix". Now, the city says, most of the 40 units for older citizens stand empty, and they have a grave need for more family-sized units.

While we were there, Santa Fe was extremely disturbed that Model Cities funds, held up for an audit but for the restoration of which they had been given what they felt was a firm promise, had not been restored, while the program lay dormant.

In Las Cruces, we were asked about the hot-lunch program, "Whoever decided that only the children of low-income families are undernourished?"

The Chama school superintendent complained that some school programs are obviously aimed at providing funds for minority groups who are educationally underprivileged only where there is *de facto* segregation. "Do we get penalized," he mused, "just because we've been integrated here in New Mexico for hundreds of years?"

Another charge which merits some serious consideration came from the school superintendent at Floyd, who charged that bilingual programs, as presently constituted, tend to separate both students and cultures, rather than using the cultures to cross-fertilize one another.

Other questions raised by educators implied some additional confusion in delineating the original programs.

A Tucumcari professional asked, "Should not educational deprivation, not economic deprivation, be the basic criterion in setting up special-assistance programs?"

He added that many parents in his district felt the application of Title I funds was actually discriminatory. (The head of the Gadsden schools commented on that charge: "Yes, it's discriminatory—but not in a *bad* way.")

The Penasco school superintendent, in a philosophical mood, put it like this: "To deprive the privileged while we help only the underprivileged turns the privileged into underprivileged."

Finally, we heard many remarks which can almost be classified as "sighs":

From Gadsden: "The 'Big Brother' spirit is already all-pervasive."

From Las Cruces: The EPA says to use "clean fuels for the dirty-air areas and dirty fuels for the clean-air areas. Under that rule, we'll all eventually be equally dirty."

And one last "sigh": the mayor of Tucumcari said, "The only good thing I can think of to say about the federal bureaucracy is that at least it isn't as bad as the state's bureaucracy."

From all this, I conclude that, at the very least, *many good, well-meaning people, most of them trying to do a good job, with only a minimum of self-interest involved, are frustrated, disturbed and distraught by what they see in their relations with the supergovernment at the federal level.*

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It is not the purpose of this paper to propose cures for the ills these hearings were designed to isolate.

But as a result of the points raised, of which these are only a sampling, I would be willing to make at least these observations:

The grant-in-aid system may in fact raise more problems than it cures;

Programs need more analysis, and possibly more experimentation, before they are encapsulated into law;

Efficiency and simplicity must, wherever possible, be built into every such program at its inception, and it must be continually checked to see that they are not precluded by an accretion of administrative procedures;

The human end or aim of every program must be clearly stated from the beginning and never lost sight of in its administration.

Intelligent, understanding and imaginative personnel, charged with its implementation, are a major factor in the success of any government program. They should be sought for and charged with its responsibility, even if the cost is great.

SECTION 3: SOME SPECIALIZED PROBLEMS AS NEW MEXICANS SEE THEM

City commissioner from Springer: *"We don't really have too many problems—but they're coming, they're coming."*

Most of the general problems New Mexico has are shared with the rest of the nation, but some of them are heightened by special circumstances of geography and culture.

For instance, citizens of Artesia told us one of their deep worries was a declining tax base brought about by a decline in population; their immediate area has had a population drop of 18 per cent in the last ten years.

Even more dramatic as an element affecting tax revenue is the large portion of the state which is essentially untaxable land. To cite only a few examples which were quoted to us at our hearings:

The Kirtland school district is 97 per cent federally impacted land;

In Otero County, a relatively prosperous area, only 12 per cent of the land yields tax revenue, which gives the county a true tax base equal to one of the state's poorest counties;

In Taos County, at least 60 per cent of the land yields no taxes; and

The Grants municipal school district, which is 4800 square miles in size, is composed of 50 per cent federal land.

Obviously, therefore, school districts depend on P.L. 874 funds, given to areas of federal impact to replace other tax revenues they lose, to an especially dramatic degree. Participants cited statistics like these:

Out of 5300 children in the Grants school system, 1887 are Indian children who live on reservation lands;

In Alamogordo, 65 per cent of the pupils are technically from federally impacted circumstances; and

In Los Alamos 99 per cent of the student body are under the 874 formula, and that funding makes up 50 per cent of the system's total annual budget.

As in many parts of the country, a dra-

matic demonstration of the need for tax revenues is the extent to which governmental entities are bonded, in proportion to their capacity. Almost every school system we talked to said they were at or near their capacity to carry bonds; one, in Penasco, said it was actually bonded to 102 per cent of capacity. Since bonding is almost the only way schools can obtain adequate supplies of money for capital improvements, these expansions are in fact at or near a standstill.

This is especially regrettable, since, as the Bloomfield superintendent of schools observed, "Bond funds are the only really 'extra' funds we have. All the others get 'equalized' somehow in figuring what we will be given each year."

Combined with the situation of declining or severely tightened revenue is the fact that, in New Mexico, as elsewhere, the demand for and the cost of services continue to rise.

Espanola, for instance, which is bisected by a river, has only one bridge. It carries over 20,000 crossings a day. Two more bridges are badly needed, and were to have been started by 1974, but to date there are neither funds nor plans for either of them.

Santa Fe County has only six law enforcement officers—and two of those are funded under an emergency appropriation, we were told.

In that same county, which includes the capital city of our state, a county commissioner said there are still communities which use river or ditch water for drinking and other purposes.

That county has a total annual budget of only $1.8 million. One bridge, which is badly needed, would cost $125,000—almost 10 per cent of the total annual budget. As the commissioners said, it would end the isolation for a small community of only 100 families; but to them, in their present situation, the bridge is as necessary as if several thousand people were residents there.

Inflation, of course, rears its ugly head in as unpleasant a manner in government as it does in private affairs. In Raton, the police budget has tripled in ten years, due to increased costs of equipment and legal limitations on the use of manpower. Grants reports that as recently as five years ago only 45 per cent of its total budget went for salaries; this year the figure has risen to 65 per cent of the total.

Almost all of these problems seem to be intensified somewhat in a state which is still largely rural and agricultural. San Miguel County, for example, is 75 per cent grazing land. (Its county seat is appropriately named Las Vegas, which means "the meadows".) In the state as a whole, 45,000 miles of roads, about 80 per cent of the total highway system, are by definition rural.

Other problems are also considerably dramatized by these facts.

In Rosewell, we were told that one sheep rancher had lost as many as 3,000 head of young lambs to coyotes because of anti-poison rulings of the federal establishment.

In Clovis, the observation was made that agricultural operations need special understanding. The thought was expressed like this: "Laws can't treat us like other industries, because livestock people, unlike General Motors, can't increase their production just by deciding to do so."

Rural areas also have other problems—like that in Tucumcari, not one of the state's smaller towns, where we were asked if it was unethical to "trade" with physicians to obtain the doctors the city badly needs.

Always and everywhere, the educators had special problems. In Socorro, 33 per cent of the pupils come from homes at or below the poverty level. (That may be why so many New Mexico school districts said they would like to be part of an experiment to provide free hot lunches for 100 per cent of their student body.) In Grants, explaining why more vocational education is so badly needed, the superintendent said 70 per cent of his students end their education at the twelfth grade. And in Socorro, as outlined below, we heard an elaborate plan to help those from culturally and financially deprived homes who do go on to college.

* * * * *

If all the problems touched on above are among those shared with the nation as a whole, New Mexico also has unique or very specialized problems of its own.

One, not surprisingly, is water.

In Raton, the problem is finding new sources of water. The city is presently bearing the cost of extensive studies leading to a new water supply, which it will then share with other towns in the surrounding area.

What may be surprising to some is that in many parts of the state the problem is too much water, not too little. Unfortunately, the water in question is not the kind which is usable, but the kind which comes in a flood.

In cities as far apart as Grants-Milan, Silver City and Carlsbad, we heard pleas—often elaborate, and supported by all sorts of evidence, including pictorial—for funds for flood control. Carlsbad, for example, is holding its breath till revenue becomes available to build Brantley Dam and prevent periodic flooding which has gone on as long as the city has been in existence.

Another water problem which leaves many New Mexicans worried is that of the legal standing of agreements which give Indians prior rights to the water in areas they occupy. Both Indians and non-Indian residents express interest in learning exactly what the practical ramifications of this position will be—though one group may look forward to clarification with enthusiasm and the other with trepidation.

New Mexico is unique in its position in our atomic-energy culture, and that too leads to special problems.

Grants, in the nation's major uranium-producing area, is ranked by some as a one-industry town. That results in investors and others being hesitant to fund things there when they do not know what the future holds for the use of uranium.

That is even more dramatically true of Los Alamos, where the observation was put like this: "We can't get new money into this town, which depends almost entirely on Los Alamos Scientific Laboratory, because we can get no prediction of long-range plans from the AEC. The AEC, in turn, says they cannot make such plans because their funding depends entirely on Congress. "The end result is a kind of economic stagnation in what could be a bustling community.

To cover quickly some specialized problems which arise from having a large proportion of Indians in the state, a major factor is unemployment. Among the Navajo it may run as high as 65 per cent—more than ten times as high as the national average. Among other tribes it is also considerably minimally acceptable levels.

Santa Fe County is unique because it has five Indian pueblos within the county boundaries, including one in the city limits of Santa Fe itself. Here the problem has become one of what governmental body has regulatory powers over the establishment of leased subdivisions on Indian land.

The presence of large Indian groups has even given rise to what some public school figures clearly think of as "competing" school systems. The Gallup school superintendent says BIA schools on the reservation have a higher pay scale than he can provide for teachers, and they have empty classrooms, in contrast to his own shortage.

Many of New Mexico's citizens are of Hispanic origin and were settled in the territory when Anglo-Saxons began to move across it from the east. Spanish land-use practices make obtaining clear title under American law often a practical impossibility. This, in turn, leads to insoluble problems, especially in northern New Mexico, when there is a desire to sell or mortgage land holdings.

Another aspect of Hispanic culture which has specialized application in New Mexico is an attitude toward land and home. Thus Project Breakthrough, to provide new low-cost housing, has met considerable resistance because, as one official of Spanish background put it, "People would rather improve the homes they have than have a new one."

The rapidly approaching energy crisis is already dramatically exemp'ified in New Mexico, where an Artesia oilman observed that "we're sitting on top of a good supply of gas here, but because of the fact that it's all being exported, we're already facing our own energy crisis."

Quizzically enough, even New Mexico's natural beauty, one of its most outstanding features, also leads to problems. The mayor of Taos told us his town serves one and a half million tourists a year. "We have to provide all essential city services for them while they're here," he said, "yet for purposes of revenue sharing we only get credited with the small number of our permanent residents."

Finally, like other Western states, New Mexico is beginning to face up more and more clearly to the growth/no growth dilemma.

Perhaps the mayor of the village of Questa put it most cogently when he said, "We don't really want to grow—but we sure do want to take good care of the people we have."

* * * * *

From the testimony which led to the observations above, I would reach certain conclusions:

That, as long as municipalities and other governments must provide certain minimum services for their residents, they may need help to supplement the revenue they can generate locally.

That these people, who are on the scene, by and large have a greater grasp of the unique aspects of their problem than government-at-a-distance can ever have.

That the problems of small towns and sparsely settled areas are at least as real to the people who live there as the perhaps less easily ignored problems of urban areas, which have gotten so much of our attention in the last decade.

I would also add this observation:

It is clear that the major thrust of far too many on-going programs is to solve problems which are peculiar to urban areas. To do only this is to neglect the nation's rural heartland. In all federal programs, including both general and special revenue sharing, lawmakers must exercise caution to see that this error is not perpetuated.

SECTION 4: NEW MEXICO'S GREATEST NEED—MORE JOBS

The previous section lists and describes many of New Mexico's problems.

But there is one of such obvious preeminence that it deserves a special discussion of its own.

That is the state's need for economic development—or to put it more simply, for more jobs for its citizens.

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Because we knew before we began the hearings summarized here that this was indeed the state's major problem, we made special efforts to find out, wherever possible, what was being done about it. In every hearing, we asked for information from the local Chamber of Commerce or industrial development agency, to see what was being done on local initiative to supplement efforts of the federal government and of the state's Department of Development.

No very clear pattern emerges. Where towns are in fact making an effort in this direction, the methods used are very vari-

ous. Raton, for instance, raises $25,000 a year through a room tax on hotel and motel guests and allows its Chamber to use 75 per cent of the revenue to finance industrial development. Grants' Chamber also handles this effort, though it does it on a volunteer basis, revenue. But Red River, a summer and winter resort area, uses all its room tax revenue for tourist-type promotion, because it feels that is the best way to expand its base of jobs.

That a genuine industrial development effort is often a discouraging experience was made very clear to us in Deming. The Chamber of Commerce there prepared a special brochure on what the city had to offer light industry, based on their experience in bringing in two such installations in the past. Five thousand of the brochures were circulated to small companies. They generated about 50 responses—which is by no means bad for a "blind" mailing of this kind. So far, however, there have been no real prospects generated of a kind which could be considered a major addition to the city's economic base.

Eagle-Picher, a small industrial plant already operating in Socorro, participated in the JOBS programs to the extent of $14,500. Unfortunately, here too there is an unhappy ending to the story. At the time of our hearing there the total number of participants in the training program still employed was one.

But New Mexicans are determined to solve the problem somehow. In Raton we heard serious proposals for coordinating industrial development between all the towns in the area. In Santa Fe we were told that their group aimed at becoming the industrial development service for a three- or four-county area.

Cities are also using federal funds for this purpose, wherever they are available, and looking for them where they do not have them now. In Santa Fe, participants reported that their Model Cities program had made finding jobs one of its top priorities. In Grants and Socorro, there were discussions of how they might initiate Economic Development Commissions for their regions. And in Las Vegas the executive director of a three-county CAP said if the law permitted, he would use some of those funds for industrial development.

Other areas have specialized pushes. Santa Fe told us that 80 per cent of their ID effort goes toward helping already existing businesses, especially with an eye toward providing second jobs for local families. They also said they were working as hard to solve the problems of the under-employed as they were those of the unemployed. Roswell showed considerable imagination. Residents there are working hard to expand their quarter-horse industry, as a complement to other agricultural pursuits. They also have proposed establishment of a specialized vocational rehabilitation complex, for which they have 400 units of housing and a potential staff of professionals.

New Mexico Institute of Mining and Technology has instituted a program which, while it is aimed at providing an education for those of differing cultural backgrounds, also provides them with jobs while they learn. Over $630,000 a year presently goes to students in payroll—20 per cent of the institution's annual expenditure for personnel—and 60 per cent of their employees are students. This work-study program not only provides two services, as pointed out above, but wherever possible New Mexico Tech tries to match the nature of the job with the student employee's major field of study, so that he learns more of his own field while he works.

Others suggested some very tentative ways in which the state's nuclear energy complex might be utilized in ways which are better for the nation and might also aid the local economy. At Los Alamos an official suggested that the Lab should be moving more aggressively into solving the nation's energy crisis, since such a solution or solutions might involve from 20 to 30 years of lead time. In Las Cruces it was suggested that our atomic and space installations need input from marketing men who might suggest further uses for their facilities from private enterprise.

In Socorro we heard probably the most basic suggestion. It called for a skills-and-ability inventory of the state, to be matched with a jobs inventory to determine what are the real needs for retraining programs to fit existing people to existing jobs.

Some people in Taos predicted that such an inventory would provide an interesting conclusion: that there are more New Mexicans already prepared for jobs than some observers suspect. As evidence of that fact they pointed out that a jeans manufacturing plant which had surveyed Taos expecting to find 200 to 500 qualified potential employees located, to their own amazement, 2,000 in Taos County.

Unfortunately, that story, too, has a sad ending: the plant eventually located elsewhere.

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Certain conclusions seem very clear here: *New Mexicans clearly perceive what their state needs most. In fact, the unanimity on the subject, from all corners of the state, is remarkable. What they want now is sound, practical advise and assistance to get the job done—bringing their state to a fair position in America's economic mainstream.*

SECTION 5: HOW NEW MEXICANS VIEWED REVENUE SHARING AT ITS INCEPTION

Grants mayor: *"Revenue sharing is the federal program most appreciated by local governments."*

Las Vegas school superintendent: *"Special revenue sharing may be the schools' only answer if the Rodriguez case ends our dependence on ad valorem taxes."*

The time span of these hearings took us to some cities when they were in a state of great expectation, awaiting their first check from revenue sharing. It also took us to others, somewhat sadder and wiser, after the first checks had been delivered.

Thus we heard both rosy comments and an oft-repeated "What happened?"

But what we were attempting to elicit from those who appeared was slightly more basic. We wanted to define how those empowered to make expenditures under it actually felt about the whole program.

What we heard was not entirely encouraging, but it was illuminating.

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The major question we asked, obviously, was how officials planned to use the money this federal program provides.

A McKinley County commissioner was very frank; he said they simply hadn't decided how to spend it, partly because they were still confused over exactly the amount they would eventually receive. "It's hard to budget," he said, "when you don't have exact figures."

The phrase we heard repeated most often in answer to the question was some version or other of "capital outlay." That may be because, as a Roswell city commissioner explained, capital outlay is easy to establish and the need easy to measure. He added that "other needs are hard to measure—though no less real."

The idea surfaced often. In Grants, city officials said the money would go to purchase "things," before, as they said, "it gets cut off." Quay county officials had the same view; they planned to use their share for "something you can still see ten years from now." Santa Fe city commissioners said the money would go for "non-recurring expenses, but on a balanced basis." Las Vegas added another note; the funds would largely be spent on capital outlay, but the money they had been spending to repair their old equipment would now be freed to hire more and better personnel.

Other areas had better and sometimes more concrete uses in mind.

Taos County said most of its funds would probably be used to hire a badly needed county manager for whom money was not presently available.

Artesia said it might use its money to complete what it sees as a model Urban Renewal project if HUD did not continue funding it directly.

Tucumcari said public safety and recreational facilities had top priority on their list, with new equipment to come only after these needs had been met.

And Alamogordo said law enforcement had first call on their share, with road and street maintenance coming second.

Those were concrete observations, from a wide variety of sources. But how did those responsible for expending these funds *feel* about the program?

The long-time mayor of Las Cruces observed that "the whole program was very hastily put together." Almost everyone who commented found the formula for distribution difficult, if not impossible, to understand. (This was especially true as between Carlsbad and Artesia, two cities in the same county, where the latter, a town with less population and a smaller tax base, got appreciably more money than its larger neighbor.)

Skepticism was a not uncommon attitude, of course. The mayor of San Jon said he could not believe there were no strings attached to revenue sharing money; "There will be, there will be," he added pessimistically. Chaves county commissioners were also less than jubilant. "We view the whole thing with mixed emotions," was their attitude. "Under revenue sharing, we have to be the bad guys who say 'no' to those who have pet projects."

Others were more questioning than skeptical. In both Colfax and Dona Ana Counties there was considerable questioning about which existing programs would disappear when revenue sharing moved into full gear. In Los Alamos, this worry was made into a statement: "If revenue sharing cuts other funding sources, we're against it." Santa Fe County was even more specific; they said they will lose $140,000 in PEP payroll when that program ends and get only $170,000 in revenue sharing.

There were also other warnings from other sources. A Las Cruces official said, 'The trouble is that the general public looks on this whole program as a bonanza." And the city manager in Tucumcari said, "We will be subject to many local pressure groups, most of them made up of the 'haves,' who will be looking for handouts for their favorite projects."

And then there were the hesitaters. In Quay County, they put it like this: "We don't want to give somebody something and then have to take it back again." This seems to have been a common attitude toward use of this additional revenue—that it is somehow dangerous to use it to hire people unless there is almost a certainty that the jobs they fill will be permanent ones. The fact that there is some failure of logic in this position has already been pointed out in Section One of this paper. It was also recognized by the mayor of Espanola, who told us with great force, "To say, 'Don't use the money for people, because they may be cut off,' is wrong."

One last note on revenue sharing. The mayor of Roswell told us he happened to be reviewing year-end figures for his city and noted that, by an interesting coincidence, the amount his city was to get in general

revenue sharing funds was almost exactly the sum which had been withheld from employees' paychecks for federal income tax in the course of that year.

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I gave my conclusions on these hesitant attitudes, these doubts and indecisions, in two speeches I made during the course of our tour. I will paraphrase them as a close to these observations:

The effort to return power from the District of Columbia to our states, our counties and our cities—where I think it really belongs—will not succeed unless they stop going to Washington with hat in hand and begin to say, "Look, this is our job—and we'll do it."

Revenue sharing is one of the most important attempts in our time to return power to local government. But it could totter on the brink of failure if those local governments do not respond to its challenges with courage and clear thinking.

If it fails and the pendulum swings again toward Washington as the source of every solution, we may move to the most centralized—and unwieldy—government in world history.

APPENDIX A: LETTER OF INVITATION

This is the text of the letter inviting participants to the hearings covered in this report.

It was sent to all mayors and city councilmen, or their equivalent; to all county commissioners, both incumbents and those to take office shortly after the meetings were held; to all school board members and school superintendents; to presidents of Chambers of Commerce or equivalent organizations; and to all college and university presidents.

DEAR ——: Before I go to Washington to be sworn in as Senator, I plan a series of fact-finding trips throughout the state to prepare me to serve New Mexico better.

[There follows a paragraph giving time and place of the hearing in their locale, and inviting them to participate.]

I am especially interested in hearing your views on these points:

Federal legislation you feel your area needs;

Federal programs presently operating in your area, their accomplishments and their shortcomings;

Federal programs you feel should be proposed which could be of benefit to your area.

To be sure I have an accurate record of your views, I ask you to prepare a brief written statement covering these points for presentation.

A member of my staff will be in town a few days in advance of this formal "hearing," and he will contact you to settle a time at which it is convenient for you to appear.

I invite you to join us after your presentation for a general discussion of the points raised, if time permits, as well as for a brief press conference with media in your area.

I thank you in advance for taking the time to prepare your views and share them with me. I am sure they will be of great help to me in Washington.

Very truly yours,

PETE V. DOMENICI,
U.S. Senator-Elect.

APPENDIX B: LOCATION AND ORDER OF HEARINGS

This is a schedule of the towns in New Mexico in which the hearings which provide the material for this report were held.

All dates shown are 1972.

Wednesday, November 29—Grants, morning; Socorro, afternoon.

Thursday, November 30—Silver City, morning; Deming, afternoon.

Saturday, December 2—Belen.

Monday, December 4—Raton, morning; Las Vegas, afternoon.

Tuesday, December 5—Santa Fe.

Wednesday, December 6—Tucumcari, morning; Roswell, afternoon.

Thursday, December 7—Roswell (continued), morning; Alamogordo, afternoon.

Friday, December 8—Las Cruces.

Monday, December 11—Los Alamos, morning; Farmington, afternoon.

Wednesday, December 13—Portales, morning; Clovis, afternoon.

Thursday, December 14—Hobbs, morning see note below; Carlsbad, afternoon.

Friday, December 15—Artesia, morning; Gullup, afternoon.

Saturday, December 16—Espanola, morning; Taos, afternoon.

The Hobbs hearing referred to above was not actually held because bad weather prevented an air trip there. Many of those who planned to participate, however, filed the written reports they had prepared; their views are represented here, based on a public hearing subsequently held there, to fulfill the promise we had made them.

In the text of the complete report, some names of towns and school districts appear which are not on this list. At almost every hearing, officials from nearby towns and counties were present to make their presentations. They are identified in the report by the area for which they spoke.

APPENDIX C: RECOMMEND LEGISLATION

This is a compilation of all recommendations on legislation which were proposed for consideration during the tour of New Mexico discussed in this report.

Inclusion of the suggestions here does not imply that every idea listed is viewed as having special merit. The list is included only to give some notion of the extent and kinds of concerns those citizens who met with us have.

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Grants: H. R. 14141; introduced by Runnels in last session, would designate Malpais outside Grants as National Monument.

Raton: Policemen and firemen are not presently covered by Social Security. They should be.

Many Sources: P.L. 874 (educational impact funds) should be funded at 100 per cent level, at least for A students.

Las Vegas, Tucumcari, Las Cruces: Concern about adequate funding for Bicentennial Commission (to be followed by fight among respective towns for funds).

Santa Fe, Deming: Want major share of funds for airport improvements to be provided by federal government.

Santa Fe: Federal highway funds, matching basis, should be provided for rural roads.

Santa Fe: More federal funds should be provided for concreting ditches, to save water.

Grants, Gallup, Santa Fe, Carlsbad: Increase available federal funds for flood controls.

Santa Fe: Restructure CAP funding method to allow for greater flexibility in use.

Many Sources: Increase funding for PEP program, EEA program.

Santa Fe: (from privately funded college): Support concept of Basic Opportunity Grant "entitlement" as proposed in 1972 Higher Education Amendments.

Santa Fe, Tucumcari, Gallup: Want federal funds, at least in part, for speculative shell buildings for industrial parks, as way to attract industry.

Roswell, Alamogordo: Want Four Corners Economic Development Agency expanded to include their area.

Santa Fe, Gallup: Want increased funds for Indian Health Service personnel and installations.

Tucumcari: Want federal government involved in solving medical problems of small towns, since most medical education is subsidized by government.

Many Sources: School people want, at the very least, an extensive test of 100 per cent free lunchs for all school children.

Roswell: Continue support for even expansion of saline water plant.

Clovis, Portales, Alamogordo, Las Cruces: Want Highway 70 included in Interstate System.

Roswell: Want changes in law to allow for killing of coyotes and other predators which prey on sheep.

Many Sources: School personnel favor a phasing-out of categorical grants and a shift to special revenue sharing, with funds to go into operating budget.

Roswell: Recommendation that any special revenue sharing by schools be managed at State level.

Dexter: Funds needed for rural, small-town housing, to keep people home.

Roswell: Distribution of funds under GI Bill unfair to veterans at technical-vocational post-secondary level; they should be treated like those in colleges and universities.

Hagerman: Public domain lands should count toward 874 funds, even if parents don't work on it 50 per cent of working time.

Alamogordo: Want programs which must be extended on continuing basis to be handled on 90-day increments, rather than month-by-month.

Many Sources: Raise in minimum wage will cause hardship to lower-range workers (e.g., teachers' aides, teenagers); if enacted, there should be six to eight months before effective date, to allow for proper budgeting.

Many Sources: 815 funding for schools' capital outlays should be restored; badly needed in areas already bonded to capacity.

Alamogordo: Want Title I educational funds to be distributed on formula different from present one, which is essentially discriminating.

Many Sources: Educational appropriations especially should be made on a multi-year basis—say, five years at a time.

Las Cruces: Consolidate overlapping categorical grants—e.g., in education, manpower training—and fix a single accounting and auditing method.

Las Cruces: If minimum wage rises, so should permissible cost for school lunches.

Las Cruces: Favor H.R. 14896 provisions allowing snack bars in schools.

Las Cruces: Voucher system might be useful for solving funding problems for rural housing.

Las Cruces: Older Americans Act should be revised to allow money to be spent for nutrition.

Las Cruces: Legislation needed to allow NMSU to purchase ranch.

Las Cruces (from publicly funded university): Opposes concept of Basic Opportunity Grant "entitlement".

Los Alamos: Want national equalization formula for school funding.

Farmington: Increased pace of Navajo Indian Irrigation Project needed; original schedule called for water in 1970, but presently it will be lucky if it flows in 1975.

Farmington: Want special appropriation to supplement BIA budget squeezed by Alaska claim.

Farmington: Educational categorical grants should provide for setting of program goals at the local level.

Farmington: Need funding for proposed Animas-La Plata Dam, drainage, and irrigation project.

Portales: Legislation should provide for PWA-CCC-type workfare.

Portales: Educational categorical grants should go to schools and be distributed according to statewide formula.

Portales: ENMU wants funding for educational television system.

Socorro, Portales: Funding for university students for related work-study should be increased.

Clovis: Want funds for Running Water Draw Dams.

Clovis: Farmers support anti-strike legislation for longshoremen, railroads, etc.

Clovis: Farmers Union opposes use of five-month marketing period in setting wheat

support levels; want return to language of 1965 Agricultural Act.

Clovis: Farmers want legislation to subsidize handling of manure by feed-lots, other large-volume producers.

Carlsbad: Need funding for Brantley Dam project, as authorized.

Carlsbad: Want matching-fund formula for rural areas (including cities under 50,000 population) to provide for less than 50 per cent participation from local sources.

Carlsbad: Wants to be site of experimental atomic waste disposal installation.

Carlsbad: Want certification and security requirements on small-town airports lightened to be proportionate to their capabilities.

Carlsbad: Want protective legislation to favor domestic potash.

Carlsbad: Cotton farmers oppose limitation of payments to agriculturalists; cut to $20,000 (from present $55,000) would affect 140,000 farms. ($30,000 might be acceptable.)

Carlsbad: Farmers oppose policing use of wetbacks by requiring job card.

Carlsbad: Extension of REAP (formerly ACT program) recommended.

Artesia: Federal government should fund airports in same manner as highways.

Artesia: Support Brock's bill, S. 893, to evaluate budget as a whole, provide reevaluation on regular basis and expansion of programs only after successful test programs.

Artesia: Educational acts need to be codified.

Artesia, Gallup: Opposes use of highway funds for urban mass transit. Prefer alternative under which states could exercise option on use of funds, including right to apply them to secondary roads.

Gallup: Federal government should provide funds to construct teacherages.

Gallup: Navajos will need legislation to implement Ten-Year Plan for schools, roads, utilities.

Espanola: Food stamps should be allowed for use only to purchase basic and staple items.

Taos: Revenue sharing legislation should be adjusted to take into account total number of persons served by a government unit, not merely those who reside there.

Red River: Legislation should allow towns and cities to acquire federal land (in national forest, for example) for recreational use where the land adjoins town limits.

Questa: More funds should be provided for sewer and water systems for towns under 2,000 population.

Questa: EEP, a good program, should be broadened to allow for employment of non-veterans.

Questa: More funds, more stringent controls on drugs are needed.

Highway Department: Special exemptions needed in laws requiring beautification to take care of arid states; we are required to plant, but nothing can make the plants grow.

Highway Department: Number of environmental impact studies (presently required: review by 36 agencies) should be reduced to speed up construction start.

Middle Rio Grande Conservancy District: Legislation, a la that once introduced by Anderson-Lujan, needed to give small tracks of useless public domain land to District.

Middle Rio Grande Conservancy District: Laws should allow use of Urban Renewal funds to fence or cover open ditches.

School Food Services Division: Opposes present amendment allowing vending machines in schools.

All Indian Pueblo Council: Funding for revolving loan fund needed.

All Indian Pueblo Council: Changes needed in system giving federal government jurisdiction over major crimes, because federal district attorneys do not prosecute assiduously when crime is not against a non-Indian.

THE BALTIC STATES

Mr. CASE. Mr. President, at this time of the year we are reminded by important anniversaries of the lack of freedom in Lithuania, Latvia, and Estonia. For many years, I have supported the right of self-determination of these states, and I can only hope that the aspirations of the Baltic peoples will soon be realized.

Mr. President, the New York Times published an editorial on February 16, 1973 marking the anniversary of Lithuanian independence. I ask unanimous consent that the editorial be printed in the RECORD.

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

THE BALTIC STATES

Free Lithuanians everywhere—and an unknown number of Lithuanians in the Soviet Union as well—will mark today the 55th anniversary of the modern Republic of Lithuania. It was on Feb. 16, 1918, that the *Lietuvos taryba* or Council of Lithuania met in Vilnius and declared the existence of an independent state free of ties to all other sovereignties.

Observance of this anniversary—like the marking of the corresponding dates by the peoples of Latvia and Estonia—may seem purely theoretical and even fanciful to the modern realists. The Baltic States were long ago occupied by the Red Army and involuntarily incorporated into the Soviet Union.

What today's "realists", ignore, however, is that the desire for freedom and independence still burns in all three of the Baltic states and among a considerable part of their inhabitants. In Lithuania alone there have been such recent manifestations as the self-immolation of Romas Kalanta, mass street demonstrations by thousands of young Lithuanians and the petition of 17,000 Lithuanian Roman Catholics directed to the Secretary General of the United Nations.

Obviously, the chances are not bright for the Baltic peoples to regain their independence. But the conquest and elimination of these once-free republics by the Soviet Union is one of those acts of injustice by a great power toward its small neighbors that the world can never forget.

COUSTEAU AND NASA

Mr. MOSS. Mr. President, the benefits of space to mankind have been illustrated to us in the past week by the newspaper stories telling of oceanographer Jacques Cousteau's dramatic use of NASA's ATS–1 satellite to communicate knowledge of the damage to his research ship off Antarctica. The ship was able to radio information via the satellite to the Ames Research Center.

Cousteau is engaged in an experiment to learn from outer space exactly how to monitor the biological productivity of the oceans.

On November 8, 1971, Captain Cousteau testified before the Senate Commerce Committee. Among other things, he talked about the value of NASA's projects—projects for the control of the environment in particular.

I am sure from his experiences in the last week he will have a great deal more to say about the value of NASA's programs, but I ask unanimous consent that his statement on the control of the environment be printed in the RECORD as particularly apt.

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

STATEMENT BY JACQUES COUSTEAU

There is a great hope inside for the control of the environment, and that is NASA's project Sky Lab, for the following reason: The high sea outside the national waters is out-law country. Anybody can do anything or almost. The regulations about oil spills from tankers are or are not applied. God knows what happens when night comes. The chief engineers don't know what they are doing, because it is easier for them. Not all harbors are equipped.

So, I find hopes in the role of Sky Lab. You know that NASA has not found an adequate public support, probably because the man in the street dreams about the moon, about Mars, about Outer Space, to a degree, and he does not see in the long run what good it makes to him. People tell him that there are technological by-products. He couldn't care less. The man in the street wants NASA to be more in himself, and that is exactly what Sky Lab is going to do.

At long last space research is going to turn their eyes from outward to inward, and to look at our planet and to control and monitor it. Sky Lab to me is able, I know and I have discussed it with them, I know they have developed tools that enable them to measure from space the quality of productivity and pollution, temperature and currents. This is one thing, but productivity and pollution to such an extent that even a minute molecular hair on the surface of the ocean, left the night before by a ship, can be identified by a satellite * * *."

NEWS PROTECTION LEGISLATION

Mr. SCHWEIKER. Mr. President, today, I had the privilege of testifying before the Senate Subcommittee on Constitutional Rights, chaired by the distinguished Senator from North Carolina (Mr. ERVIN) on the subject of Federal legislation to protect news sources and news information from forced disclosure.

My concern for protecting the full freedom of the press guarantees of the first amendment in the face of increased news subpenas by governmental agencies, and the shock of newsmen being led to jail, led me to introduce a news protection bill.

I request that my testimony today, on behalf of my bill and on behalf of the principle of Federal legislation in this area, be printed at this point in the RECORD.

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

TESTIMONY BY U.S. SENATOR RICHARD S. SCHWEIKER

My personal shock over the recent sight of reporters being led to jail for refusal to disclose news confidences led me to make drafting of a strong newsman's protection bill one of my first legislative initiatives of this Congress. My bill, S. 36, the "Protection of News Sources and News Information Act of 1973," was introduced on January 4, the first day of the new Congress.

Whatever specific language is finally adopted by this subcommittee, I feel deeply that news protection legislation should reflect four important principles:

(1) The news media must be protected

from being utilized in any way as agents of the government.

(2) The strongest possible federal law must be enacted quickly to lay to rest my possible doubt of the ability and right of newsmen to protect confidences obtained in their news gathering.

(3) Freedom of the press guarantees of the First Amendment must be reaffirmed as the basic foundation of our form of government, entitled to paramount protection.

(4) Congress must fill the statutory gap alluded to by the U.S. Supreme Court last year when it rejected an inherent Constitutional newsman's privilege but specifically referred to the power of Congress to enact a statutory newsman's privilege.

The freedom of the press of the First Amendment is a right of the people of this country, not just the press. Our Congressional duty demands that we enact strong statutory language on behalf of the people if this right is being threatened. Since the Supreme Court ruled against an inherent Constitutional newsman's privilege, local, state, and federal governmental bodies have been turning to newsmen in alarming numbers for information. This is a threat which contradicts the very nature of an independent, vigorous press. Without statutory relief, the First Amendment could be seriously eroded.

My bill addresses itself particularly to the danger of the media being pressed into service as an investigative arm of the government through subpoenas. My bill provides for an absolute privilege against any forced disclosure of confidential news sources, or information, by any investigative body, such as grand juries, governmental agencies, or even Congress. Under no circumstances should we dilute the independent role of the media by requiring the use of media sources and information by investigating officials. The media must be free to develop sources and information, and must be able to insure confidentiality to sources who otherwise would remain silent. It is ironic that government has no problem allowing the identity of police informers to remain secret, for fear of "drying up" police information, but refuses to apply this same principle to the media.

Even though the use of governmental subpoena power is generally limited to investigative reporting situations, we must not forget that the right and duty of the media to protect sources and confidential information should apply to all reporting situations. Without assurance from newsmen that *any* confidences can be maintained, many persons will no longer provide valuable information to the media, on many subjects, for fear of reprisals, unwanted publicity, loss of jobs, or other public interference with their families and their private lives. Once again the public's basic right to know is the loser.

Our entire governmental system, however, is made up of checks and balances. In weighing newsmen's privilege legislation, we must not lose sight of another Constitutional Amendment—the Sixth Amendment right to a fair trial. The historic right of the public to "everyman's testimony" must be evaluated, and is often cited as a principle reason for a qualified rather than an absolute newsman's privilege.

Once again, in my bill, I have recommended that consideration of any less than absolute privilege be confined to the actual trial of a specific case, after investigative work has been done. This insures that the news media can never be used for governmental "fishing expeditions."

In addition, I feel standards must be set by Congress to limit any required testimony of newsmen to only a narrow set of circumstances. It can be dangerous for Congress to be too specific in outlining conditions that must be applied by the courts, and thus the language of a qualified privilege may have to be general. But the statutory language and legislative history combined should show Congressional intent to seek a nearly absolute newsmen's privilege, with exceptions being permissible only under relatively unique circumstances.

In my bill, a key condition before any testimony could be required is "a compelling and overriding national interest in the information." This type of language, coupled with requirements of (1) clearly evidenced relevance of the information sought, and (2) no alternative means to obtain the information, can provide a buffer to protect national interests. But the courts will be on notice that only rare and unusual circumstances would justify the use of these conditions. In addition, a heavy burden of proof must rest totally on the governmental body seeking news information in the rare case when a court should even consider such a "clear and compelling" national interest to be at stake.

My bill was limited to federal bodies. However, I want to indicate my support for enactment of newsmen's privilege legislation at the national and state levels. If it is Constitutionally permissible for Congress to impose such requirements on the States, I will support inclusion of States in our legislation. However, if we cannot legislate for the States, I hope our legislation will be strong enough to be a model for the States to follow suit.

In conclusion, I must confess I was surprised last year to discover that the freedom of the press of the First Amendment did *not* provide protection from disclosure of news sources and information. I had assumed these freedoms were protected.

Two court opinions indicate the challenge ahead of us. Associate Justice White in the Branzburg case denying the basic Constitutional news protection privilege last summer said we had the power to provide a statutory privilege. In a subsequent case, a 2nd Circuit Court of Appeals judge wrote, "It suffices to state that federal law on the question of compelled disclosure by journalists of their confidential sources is at best ambiguous." It is our duty to clear up that ambiguity—on the side of the First Amendment, and a vigorous, strong freedom of the press.

DEATH OF DICK EVANS

Mr. BAKER. Mr. President, the recent and untimely death of Dick Evans, one of the most dedicated and competent figures of contemporary Tennessee journalism, brought sadness to his many friends throughout the Nation.

As editor of Commerce Today, the national publication of the Department of Commerce, and as a long-time city and managing editor of the Knoxville Journal, Dick Evans helped train many of this country's most outstanding newsmen.

One such newsman is Bill Anderson, Washington columnist for the Chicago Tribune. His recent column is perhaps the most fitting tribute to Dick Evans by a man who knew him well and had an even deeper appreciation of his journalistic talents.

I ask unanimous consent that this tribute be printed in the RECORD.

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

ABOUT NEWSMAN WHO HELPED OTHERS

WASHINGTON.—The night of Jan. 19, this correspondent encountered two long-time friends, Mr. and Mrs. C. Richard Evans, at a reception being given for Sen. Howard Baker (R., Tenn.).

It was a social occasion, with Tennessee Republicans celebrating the reelection of Baker and of President Nixon. You would have expected to see Mr. and Mrs. Evans there because they have been Republicans for many years and have been instrumental in turning Tennessee into a two-party state.

They are not famous either nationally or in Tennessee. Dick was a newspaperman for most of his adult life. Like his wife, Ruth, he came from a background that was financially modest. He served in the army during World War II and attended the University of Tennessee under the GI Bill of Rights afterwards.

In those days, the newlywed couple lived in a trailer. They named their first daughter Gaye, which was appropriate. I can remember she was a very happy child when I used to bounce her on my knee.

I can also remember how the Evans family used to scrimp and save, renting old houses far from town and buying day-old bread and powdered milk.

Then came the three other children, two boys and a girl, and life was even tougher financially for this family of six. Evans had to quit his job as a reporter for The Knoxville Journal and take a better paying one with the Associated Press. He hated to leave because his second love was The Journal, and he always tried to improve it.

The Journal presently came to its senses, hired Evans back from the AP, and made him the city editor. He was a real charger. He whipped inexperienced reporters into doing work beyond their average ability and managed to get 12 hours' work out of them for eight hours' pay. His loyalty to the editor, the late Guy Lincoln Smith, was unlimited.

Smith for years was Mr. Republican in Tennessee, serving as chairman of the party as well as editor of a financially creaky newspaper, and his goal was to see the G.O.P. elect more congressmen and senators—and carry Tennessee for Presidential candidates. A lot of the news in The Journal was therefore about Republicans.

But Evans was fair-minded. He liked to say that it was just as much fun putting crooked Republicans in jail as it was crooked Democrats. He tended to look at more than one side of a picture and encouraged his kids to do the same.

The house that the Evanses finally owned was always open to underfed reporters. You could get a drink and spend the night if that was necessary.

However, the management of the paper changed after Smith died. Evans came to Washington, taking over as the editor of Commerce Today, a publication of the Commerce Department. The magazine under the leadership of Evans became one of the best in the federal government. The articles had a ring of credibility and were not the standard government puffs.

Evans drove 44 miles a day to and from the suburbs so the children could have more living space and a better home than would have been possible in the city. His days were just as long as they had been when he was a city editor.

Still, he never forgot Guy Lincoln Smith. The night of the party Evans suggested that I should write a column about Smith—and the role he played in the lawsuit that led to the "one man, one vote" ruling of the Supreme Court.

"Too many other people have gotten the credit for that effort," Evans said. "I think people ought to know that a Republican like Smith had a lot to do with it."

Dick died at home the other night of a heart attack, at the age of 52. The reason I am writing this column is that I thought a few people might like to know he made a

lot of contributions to good causes, too—helping to get a new hospital in Knoxville and other things like that. "He did so much for so many of us," cried Gaye. He did, too. It should be noted that many of his reporters carried the casket from the church.

POSTCARD REGISTRATION SYSTEM

Mr. McGEE. Mr. President, as the Senate might well recall, during the debate over the voter registration bill in the 92d Congress, the opponents to a postcard registration system were loud and vociferous about the straw man of fraud should a postcard system be adopted for Federal elections.

It was my conviction then and it continues to be my conviction that fraud opportunities under a postcard system are practically nonexistent. The real issue in the debate last year and the real issue now is whether we are going to open our system or are we going to continue to put roadblocks in the way of voters so that our participation rate is one of the most dismal in the world.

In hearings before the Senate Post Office and Civil Service Committee February 8 on S. 352, Mr. Randall B. Wood, former director for elections for the State of Texas, made it clear that the postcard and the coupon system used in Texas for many years has resulted in no fraud. Indeed, if there is fraud in the elections system, according to Mr. Wood, it occurs at the election officials' level. His testimony was so striking and so to the point about voter registration problems and, particularly, the irrelevance of the fraud argument that I ask, Mr. President, unanimous consent to include his testimony before my committee on February 8 in the RECORD.

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

TESTIMONY

The CHAIRMAN. We worry about how some group or somebody is going to vote. Maybe he is not very well informed Welcome to the club. If that becomes criteria, I would only trust myself to vote. And I am not sure I trust you, because you are doing other things, and you have not really analyzed these particular voters. You do not dare to permit that to be injected as a factor, if you really believe in what we have held up to the rest of the world as our example on "free elections" which is the thing we have invented for use in other parts of the world in our rhetoric, but we do not always apply it here at home.

Sometimes we seem to be deliberate in bypassing it here at home. So I think it is time we take this very small step, and indeed it is a small step, to keep pushing us toward an ultimate participation.

I would like to see that day when that particular participation is at least as important as paying your taxes. I think it is more important, but at least as important.

Mr. BIEMILLER. I could not agree more.

The CHAIRMAN. Thank you very much. We will be back again picking your brains over the variety of experiences that you have had.

Mr. BIEMILLER. We will be happy to confer with you and your staff at any time.

The CHAIRMAN. The next witness is Mr. Randall B. Wood, former director of elections for the State of Texas.

We are specially interested this morning in what you can tell us, Mr. Wood, in regard to the experiences in Texas. Texas at any time is always a controversial issue in whatever question you are exploring. Somehow we always manage to involve Texas in it, and usually Texas is involved in it. So we will be doubly interested in your comments.

STATEMENT OF RANDALL B. WOOD, FORMER DIRECTOR OF ELECTRONICS FOR THE STATE OF TEXAS

Mr. WOOD. First of all I would like to thank the Committee for the opportunity of appearing before it.

My name is Randall B. Wood. I was director of elections for the office of secretary of the State of Texas until last October. During my tenure as director of elections I was responsible for the administration of Texas election laws, including voter registration.

I would like to make it clear that although my principal purpose here is to give you some information concerning the Texas system, which is almost identical to S. 352 in some respects, I want to give you a little background of the Texas experience with voter registration, and then go into the operational aspects of a voter registration system by mail, which I understand is one of the principal objections to your legislation.

First of all, Texas began voter registration in the form of a poll tax. Many states had a poll tax and they had a separate registration system. Texas started out in about 1909 with a poll tax system that many southern states had.

The CHAIRMAN. What you are telling us is that it was to prevent some voting, rather than to encourage voting?

Mr. WOOD. Yes. In the Texas constitution the poll tax was actually intended to be a head tax. It did not have anything to do with voting, but about 1909 I think they started making it a requirement to pay the poll tax in order to vote.

This obviously limited participation by certain groups. It was only about 75 cents at the time, but that was extremely expensive in those days.

In 1941 the pressure of the public had built up—prior to 1941, you had to pay your poll tax by going to the county seat of your county and paying the poll tax. In 1941 it was amended to allow you to mail in your poll tax on a form which was really nothing more than a voter registration application. This is the root of the Texas voter registration system by mail.

What happened was that the system continued until about 1966—in fact in 1965 there was a federal court case, U.S. versus Texas, in which the Fifth Circuit Court of Appeals struck down the poll tax, which was later affirmed by the United States Supreme Court.

This resulted in Texas having a registration system by mail, which was an annual system. The poll tax was paid annually. You had an annual registration system. You had to reregister every year.

When the poll tax was struck down in 1965, the legislature met in special session in 1966—I was involved in this legislation—and enacted a voter registration system, without the poll tax, but it was actually like the poll tax system, but it was an annual system by mail.

I will go into detail in a moment.

In 1970 the whole annual system of voter registration was challenged in court and a three judge federal panel finally ended our annual voter registration system in Texas. The time had come to end it anyway. I think the legislature was about on the verge of ending the annual system itself.

The annual system was blatantly continued to reduce voter participation, and it did so to a great extent. Even with the voter registration by mail, our participation in Texas elections, by percentage of eligible voters over 21, was the lowest among the ten metropolitan states. In fact it was one of the lowest in the nation. Even some of the other southern states, which in the past had discouraged voter registration, had better records than Texas did.

The CHAIRMAN. To reemphasize the point you made, the reason for the low participation was because it was done by mail, because it was a poll tax device——

Mr. WOOD. It would have been absolutely impossible on an annual system if it had not been done by mail. If you had to reregister every year, it had to be done by mail. We did not have any roving deputies in Texas, it was all by mail.

We were forced into registration by mail system because of annual voter registration requirements. In 1971 the legislature met and passed a more or less permanent or continuing voter registration system that is comparable to most states, California, and so forth, where you must reregister by voting. In that law, we once again carried over the registration by mail. The reason we did was that Texas has had experience from 1941 to 1971 with registration by mail system, and the old bugaboo of fraud simply could not be raised in Texas very well because the experience over those 30 years had generally disproved that registration by mail was anymore susceptible to fraud than any other registration system.

I would say this, we have fraud in Texas elections. In fact Texas does not have a particularly good record insofar as election fraud. I want to make it clear that that is not due to the registration system. Fraud is induced into the election system by election officials, and that can happen as easily with personal registration systems as it can with registration by mail.

Let me give you a little background on how the voter registration by mail system is worked in Texas. After it was allowed in 1941, the voter registration forms at that time were poll tax forms, were rather complicated and required a lot of information.

Through the years the amount of information that was required by the voter registration application which was to be mailed to the registrar was reduced continuously until the present voter registration form, which can easily be placed on a postcard, the name, address, sex, short statement and so forth.

The CHAIRMAN. Carried in coupon form?

Mr. WOOD. Well, I was interested in Mr. Biemiller's statements. In Texas, of course, under annual registration system, it forced you to become very ingenious in your methods of getting this distributed. Therefore, voter registration application forms are run in newspapers, are carried around in people's pockets on the street.

You mentioned supermarkets a while ago. In almost any supermarket you can pick up a form, since you can mail it in, you can do it at any hour of the day or night. This was really a necessity because of the annual voter registration requirement.

Since you had to reregister every year, it would have continuously decreased the voter registration if we had not had voter registration by mail.

The system we have in Texas is sort of an accident, but it is an accident that works. I do not think there is any doubt about it. It is beginning to work much better now since we have a reregistration by voting system instead of an annual system. But the problems with fraud and so forth have actually been reduced under a permanent system with registration by mail——

The CHAIRMAN. Say that again. Reduced in what way?

Mr. WOOD. Well, first of all voter registration fraud or fraud induced voter registration system is successful only insofar as the election official or registrar, either is unaware, or simply because he does not choose to check his voter registration—in other words, purges his rolls periodically.

The CHAIRMAN. If the registrar does the

job properly, is given the amount of money he needs and the amount of time that he needs, voter registration fraud can be held to a minimum. It makes no difference whether it is by mail or in person or whether you have to go to the court house. One of the suggestions made to this Committee last year was in the Dallas Morning News that if you can register by coupon, you can also register by a form handed out on a street corner, then you are aiding and abetting the chances for fraud.

However, your point is, as I understand it, if you dropped them from airplanes and let them fall on everybody's front yard, it is still irrelevant. The real check is by the appropriate office or official when the complicated form is received by mail.

Mr. WOOD. I would go even further to suggest that how the form is distributed and who fills it out and so forth is almost irrelevant to fraud in the election system. I am sure that many states who have never experienced this type of system—I am sure you can dream up a lot of horribles by voter registration by mail. I have heard some of them by reading some former reports out of this committee. They simply do not occur. They do not happen.

The CHAIRMAN. They happen only in the floor of the Senate in rhetoric.

Mr. WOOD. I am not saying that we have not had some instances of voter registration fraud. I think a couple years ago I was in the position of director of elections, someone got out of the state hospital and got him about 50 forms and filled them out with different names and different addresses and mailed them in. That was discovered in a couple weeks. But those types of thing are few and far between.

The voter does not induce fraud into the election system. Fraud is induced into the election system, and I believe this is the case anywhere, is induced into the election system by election officials and those persons responsible for voter registration system. You do not affect that whether you do it by mail, whether you do it in person or so on. If the election officials are involved or interested in inducing fraud into the system, they will do it.

The CHAIRMAN. They already do it. You do not have to vote by mail if you are going to have that kind of circumstance, if you are going to introduce fraud.

Mr. WOOD. In Texas, like I say, we have some voter irregularities, as we are used to calling them, which amount to nothing more than voter fraud. They are not a result of our registration by mail system. They are not a result of any registration violations. They are the result of collusion of election officials, either at the polling place or by the registrar himself.

The whole idea is that—well you mentioned a person would be aiding or abetting a fraud by handing out a voter registration certificate, and there is nothing magic about that piece of paper. There is nothing whatsoever magic about it, and in Texas the whole way we look at it is obviously different than other states. We do not sign the thing under oath.

I can take this piece of paper, and I can put the relevant information that is required. I have the Texas election law that would give you what is required, name, age, sex and so forth and sign it and mail it in. It would not have to be a form necessarily. It is not generally done, but it is possible under Texas law, and it would be acceptable as voter registration.

The whole idea that somehow if you are not watched over when this is mailed in is going to prevent fraud is ludicrous. The person that mails this—incidentally this is something that I agree with you that the fraud involved in Texas generally is through the control of voter registration, not allowing everybody to register, or controlling it to a certain group or in a certain manner so that it can be utilized effectively on election day. It does not have anything to do with the fact that more people who are registered, the more difficult it is to really induce fraud in an election.

The CHAIRMAN. That is a good point.

Mr. WOOD. The more broad based your electorate, the less likely that a collusion among certain group of election officials are going to have the ability to change the outcome of any one election. The larger your turnout, the more difficult fraud is—actually it is a deterrent to fraud, because it makes the possibility of your being able to change the outcome of an election much less.

The CHAIRMAN. Good point.

Mr. WOOD. This is extremely obvious in some elections in Texas where until recently you had—say, the chances of running in multiple districts, trying to induce change of outcome in any election, where there are 200,000 voters voting on one person is much more difficult if there are only 10,000 people voting for that individual.

I could go into detail in how our system works. S. 352 if enacted would not even be noticed in Texas as far as I can tell. I was familiar with the legislation introduced last term, last year. We have absentee registration and we have absentee voting up to four days before the election. Actually I can say the registrar in Texas would never know that the bill had been enacted.

The CHAIRMAN. He would not blink his eye?

Mr. WOOD. He would never even realize it. The only thing is it would not have an impact in Texas because where a person registers, he registers for all offices not federal offices only, and he does it in the same manner of this legislation, and for all practical purposes we have been registering this way for 30 years.

The CHAIRMAN. You used to cut off registration much earlier, like in January, as early as that before?

Mr. WOOD. Yes.

The CHAIRMAN. Which again was another crime. But that is no longer the case in Texas?

Mr. WOOD. No. Just since 1970 we have gone from one of the more archaic systems to I suppose one of the more open systems in the country. I do not know of any system that is as easy to register as it is in Texas. Now we have a problem which I think I would like to mention here, which I think is relevant to your whole case.

Registering and voting is a habit. People who are not in the habit of registering, for whatever reason, and voting, are less likely to register and vote in the future. It is like tradition.

In Texas we prevented for such a long period of time many people from registering, that it is going to take a long time for us to instill that habit into large numbers of our citizens, especially low income, because of the poll tax and so forth, low income and minority groups. They were prevented or suppressed for such a long period of time that the whole idea of voter registration was foreign. Once voter registration is made easier even mandatory, et cetera, as you mentioned, the person intends to vote more because he is registered, not because he simply has the opportunity to go to vote. Something gets in his mind that he feels like he ought to do, that he is in the habit of doing. It is one reason why certain groups in Texas have long opposed bringing them into the franchise. When they were in the habit, they turned out, they always turned out. But for the other people the impediments were placed in their way, and they did not register regularly and they never really got in the habit. Even though Texas has changed from an annual system to a reregistration by voting in the last two years, and even though our voter registration jumped tremendously since 1971 by a factor of a third, we still are not getting the type of turnout and registration that we should get, simply because in the past we have placed so many impediments on the voters that it is doing to take a long time to build that habit up. It will take us a while to get to where we feel like we ought to be, which is somewhere around 80 per cent registered, which I feel like——

The CHAIRMAN. Let me ask you an obvious question there. Would your Secretary of State or whoever will be in charge blink his eye if we had a mandatory ballot casting with penalty for failure, much like the income tax? What problems would that pose in other words?

Mr. WOOD. First of all, I could not comment for the Secretary of State that is in office at the present time.

The CHAIRMAN. Whoever is in charge.

Mr. WOOD. I am a little confused if you mean mandatory registration, where a person would be automatically registered—well it can be done many ways. I think Mr. Biemiller mentioned the Idaho registration is considered to be a function of the state, not a function of the individual.

It is the responsibility of the state to make sure the person is registered. This is quite common in Western Europe and some other places where the state takes it on itself to see that you are registered. I am sure there has been much testimony before this committee that concerning southern states it was not enacted originally to prevent fraud. In some northern metropolitan states I am sure that was a factor involved. In the southern states registration was linked to the poll tax, was almost always a method to reduce voter participation. Fraud was really not a consideration.

The history is quite clear, especially in Texas, that fraud was never really considered. Up until 1966 in Texas, if you were over 65, you did not have to register at all. You could go down and vote. That was just an aberration in the law, if you were over 65 you went down and voted, and we in many cases voted more than 100 per cent on the rolls, of course. We did not find that fraud was induced in the over 65 vote.

I lobbied before the Texas legislature. My legislation many times gets caught up in all the horribles that can be imagined. It is difficult to prove in many instances, I am sure from your point of view, that these horribles will not come through. Thirty years of experience in Texas of voter registration by mail indicates that those horribles simply do not occur.

I am sure we have many intelligent people in Texas who would like to reduce fraud in the election system as in any other state. Where we have fraud, it is always traceable to the election official and collusion of election officials. I could point to hundreds of places, but it is not due to the fact of voter registration by mail, and even—I think probably more importantly—it would not be prevented or restricted seriously or any at all as far as I can tell by abolishing voter registration system by mail in Texas.

The CHAIRMAN. I gather your conclusion is that whatever the device, if we had mandatory registration in federal election, with a penalty, just registration, that that would have a material effect on increasing the percentage of voter participation?

Mr. WOOD. Any time that a person is capable of walking in a polling place, he is more likely to exercise that right. The more he exercises it, the more times he votes, the more likely he is to continue voting.

There have been some studies in this particular area. There is no doubt that once a person starts voting, gets in the habit, that he goes and votes year in and year out more than the people who vote infrequently. In fact people who have voted consistently between the ages of 21 and 35 continue a voting history completely throughout their life that

is relatively consistent. Those people who do not vote between the ages of 21 and 35 have a sporadic voting history throughout their career.

It is completely related to the habit of participating in the electoral process.

I do not want to get philosophical about it, but this is, I consider, an extremely important function of government, to try to involve as many people as it can in the electoral process. If they are not involved, they do not vote. If they vote, they tend to become more involved.

The CHAIRMAN. How serious is the problem of mail registration because of illegible handwriting?

Mr. WOOD. We do have some problems with it; but after working with it for 30 years, with registrars, and we have 254 counties in Texas—I am sure that no other state has any sort of county units approaching that number——

The CHAIRMAN. We have that problem with some presidents, illegible handwriting.

Mr. WOOD. Yes. What I was going to say is that in all those county units there is a registrar and so forth, and those problems of illegible handwriting coming in on the voter registration forms, generally you can make out an address, and if it is so illegible that you cannot read it or something, the registrar will turn around and mail that form back and it says to have this form filled out and do a better job.

But it is an insignificant problem. It is not one which causes any problem. I have never had a registrar complain to me because he was severely hampered, because he had too many people that could not write well.

If the people want to bring up horribles, we have an even stranger law on the books in Texas that allows someone else to register you. I am sure you can dream up all sorts of horribles for that. You can have an agent register for you. Your mother, father, sister, brother, so forth, can mail in the registration form for you. This also grew out of the poll tax idea. If people lived at home in rural areas, if the father sat down and filled it out and registered the family, that was the idea of it. Although I do not think it is particularly good practice, it has not caused us any problems as far as fraud is concerned. We do have some problems with a son registering in college and the mother registering him at home. But that is usually quickly cleared up.

The CHAIRMAN. I think that is all the questions I have at this time. The kind of experience that you have been through in Texas reflects the sort of experiences that do constitute specters in the mind of people up here in the Senate, who do conjure up these horrors, they probably watch TV too much. They went to see Deliverance or whatever it was.

Mr. WOOD. Let me say in closing that I have a sincere doubt that any other state is going to be in really different position than Texas. We are a metropolitan state. We are a rural state.

The CHAIRMAN. You have got the sweep of all kinds of problems that could arise plus the fact that it is Texas, which is a unique problem all of its own.

Mr. WOOD. We have that large minority population, and we have the election problems. I would suggest to you that our voter registration fraud problems are probably much less than some other states that I have had the opportunity of studying.

The CHAIRMAN. Nobody ever really discovered Texas, but I always have to confess, I have spoken of 104 different Texas town, so in a very small way that does not begin to cover the counties of Texas, to get a sense of what Texas is all about. You have made a very constructive contribution.

Mr. WOOD. I thank you. If you have any other questions, I will be glad to answer them.

The CHAIRMAN. We will have more questions, and we will pick your brains on them.

Mr. WOOD. Thank you.

The CHAIRMAN. Thank you very much.

The next witness is Mr. Penn Kimball, Professor of Graduate School of Journalism, Columbia University.

CRISIS THREATENS PACIFIC COMMERCIAL FISHING FLEET

Mr. STEVENS. Mr. President, I have spoken many times in the Senate on the fishing crisis facing us on the west coast, particularly in Alaska. During the 92d Congress, I made a regular practice of reporting the number of foreign fishing vessels sighted off the Alaskan coast. I intend to continue to keep the Senate informed on this subject in the 93d Congress.

The lack of fish generally is now receiving national publicity. On Sunday, October 22, the Washington Post published an article indicating the depth of the problem.

This article sets forth the facts facing our Pacific coast fishermen. It poses a possible quandary. While fishermen of coastal stocks and fishermen of anadromous species, such as salmon, want a 200-mile limit plus total protection of anadromous species spawning in American waters, high-seas fishermen, such as the California tuna industry, seek less protection by the coastal nations.

However, the U.S. position at the Law of the Seas Conference seeks to establish different guidelines for the conservation of high-seas fish than for coastal and anadromous species. With the establishment of an international regime, high-seas species such as tuna would receive the protection our tuna fishermen seek. We are fully aware of the problems attendant upon the institution of such a regime. However, I firmly believe that by our supporting this three-tiered approach will these three widely divergent fish groups be best protected.

Mr. President, I request unanimous consent that the Washington Post article be inserted in the RECORD in its entirety at this point.

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

CRISIS THREATENS PACIFIC COMMERCIAL FISHING FLEET

(By Lee Dye)

LOS ANGELES.—A crisis is gripping the U.S. Pacific commercial fishing fleet from South America to the Bering Sea.

The crisis is so great that the survival of the fleet in its present form seems highly unlikely.

For consumers, it adds up to higher prices and a growing scarcity of fish. For fishermen, it adds up to economic stagnation for many and prosperity for a few who survive. And for the ever-dwindling marine life off the shore it may well add up to disaster.

A Los Angeles Times survey of the Pacific Coast reveals:

There are too many fishermen and not enough fish.

With the exception of Southern California's tuna fleet, foreign fishing fleets are bigger, faster and more sophisticated than their U.S. counterparts, and each year they command a bigger share of the Pacific catch.

The average U.S. fisherman is so far behind the times that he is unable to compete on an international level.

While the tuna seiners along the Pacific Coast are better than foreign competitors, that has led to its own crisis. The new seiners are so expensive that they must land huge catches to break even, creating a greater drain on the resource. Smaller, older boats do not stand a chance.

Depletion of tuna stocks has been so severe that it has been necessary for some Southern California boat owners to relocate their vessels in such far away places as Africa.

While there have been some successes in the area of international control (such as the Inter-American Tropical Tuna Commission), the demand for cooperation on a world-wide basis in the years ahead will be on a level that is virtually without precedent. The chances for success, most experts predict, are slim.

The U.S. government officially maintains a low-key stance, possibly because of the foreign conflicts that would result from efforts to meet the crisis.

Up and down the Pacific Coast, fishermen in every port tell the same story.

Melio Barbardo, San Francisco crab fisherman for 47 years: "We used to go out, catch a load, keep the best and throw the rest back. But today there's less crab—75 per cent less, maybe even less. It wasn't that way when I first came here. Every day we went out into the back yard (San Francisco Bay), caught a few dozen crab, brought them back, and everything was all right. Just like going to the bank."

At Port Angeles, Wash., and an old-timer summed it up in a phrase heard all the way from Juneau, Alaska, to San Diego. "The fish," he said, shaking his head, "the fish. There's no fish any more."

The lament of the Port Angeles fisherman is, of course, an overstatement. Biologically, at least.

The Pacific still abounds with fish, but what may be an "acceptable biomass" to the marine biologist may yield starvation wages to a commercial fisherman.

Experience has shown that it is extremely difficult to calculate the population of marine organisms. The problem is evidenced by wild fluctuations in fish landings.

About three decades ago, Monterey was one of the principal fishing capitals on the West Coast, and if you had told fishermen in those days that within a few years no one would be fishing for sardines they would have questioned your sanity. But the simple fact is that sardines were killed off by overfishing, and Monterey's cannery row has been converted into a series of fish restaurants that offer, mainly, imported fish.

The Pacific mackerel and the Pacific Ocean perch off the coast of Washington and Oregon have gone the way of the sardine. Perch were wiped out by Russian and Japanese fishermen before U.S. fishermen even got around to developing their harvest.

A. T. Pruter, deputy director of the federal government's Northwest Fisheries Center at Seattle, put it this way:

"Pacific Ocean perch has been overfished, primarily by the Russians, to the extent that it is no longer economically feasible to develop that resource."

The danger signs were there long before the Russians depleted the perch, but nothing was done to stop it.

Why?

Because under the present framework of international law, no one has the authority to tell the Russians what they can or cannot do beyond the 12-mile fisheries limit recognized by the United States.

And therein lies the U.S. fishing fleet's most vexing problem. The way that problem is resolved will almost surely determine whether the American fleet will survive, and quite possibly, whether the oceans will continue to provide a valuable source of food for the peoples of the world.

All fishermen agree the question of jurisdiction over the seas must be resolved, but

they disagree over what that resolution should be.

The tuna industry—possibly America's most valuable single fishery—is based mainly in Southern California. However, nearly all commercial tuna fishing is done off foreign shores, mainly off South America and Mexico. For that reason, tuna fishermen are strongly opposed to any attempt to extend national boundaries beyond the 12-mile limit or to recognize the 200-mile limits already claimed by several South American countries.

Off the coast of Washington and Oregon, where the continental shelf generally extends less than 20 miles to sea, a 200-mile territorial limit would encompass nearly all the fishing grounds in that region.

Seattle's pruter predicts that the establishment of a 200-mile limit may be the only way to save U.S. fishermen in Oregon, and Washington from economic disaster.

Further north, however, fishery experts sharply disagree. They predict that a 200-mile limit would wipe out Alaska's most valuable fishery—salmon.

Salmon begin life in a stream or river and must return to spawn and die. During the five or six years after leaving an Alaskan spawning ground, a salmon may travel across the Pacific to the coast of Japan before returning to spawn and die.

In order to manage the salmon fishery, harvesting must be restricted to waters near that same stream or river in the mouth of the river leading the famous ritual of spawning to the spawning grounds. That way a certain percentage of salmon may be allowed to "escape" up the river to spawn and others may be harvested. If the harvesting were done in the open sea, it would be possible to unknowningly wipe out entire runs of salmon.

As Alaskans see it, since thier salmon are born in Alaska and must eventually return to Alaska to spawn, the salmon really belong to the United States, regardless of how far they roam in the open sea. They would be like U.S. fishermen to have the exclusive right to harvest U.S. salmon. That would mean fishing for salmon would have to be restricted internationally to areas near the spawning grounds, which is the only way to manage the resource anyway.

Thus, Pacific Coast fishermen are on a collision course: Alaskans want greater restrictions against foreign fishermen, and extended fishing zones; fishermen in Oregon and Washington want a strict 200-mile limit, and Southern California's tuna fishermen want less nationalism in the seas and no extensions of fishery zones.

OLDER AMERICANS COMPREHENSIVE SERVICES AMENDMENTS OF 1973

Mr. DOMENICI. Mr. President, yesterday I voted with a majority of this body to pass S. 50, the Older Americans Comprehensive Services Amendments of 1973, and I also voted with the majority against the motion to recommit that bill with instructions to delete titles IX and X. In view of past statements I have made urging congressional fiscal responsibility and opposing legislation which increases funding programs in a piecemeal fashion, particularly categorical manpower training programs, I feel that some explanation of my votes on S. 50 would be in order.

As strong as my conviction is that we must create and maintain a system for establishing spending priorities within a specific ceiling, my concern for the plight of older Americans is even greater. My concern extends to gainful and useful employment opportunities for that segment of our population which I feel has been long neglected in that regard.

Finally, this is an authorization bill, not an appropriations bill. I will have another opportunity, which I fully intend to exercise, to judge whether appropriations for this bill can be accomplished within a framework of congressional fiscal responsibility which I find acceptable. For the sake of our older Americans, and others, I again urge that we move forward quickly to build that framework.

HEARINGS BEGIN ON NEW FEDERALISM POLICIES

Mr. METCALF. Mr. President, the Subcommittee on Intergovernmental Relations today opened the Washington hearings on President Nixon's policy of "New Federalism" and the impact of that policy on the performance of State and local governments.

Many distinguished city officials took this opportunity to testify on their problems with categorical aid programs and their plans to use general revenue-sharing funds. These hearings will continue, with Governors and other State and local government officials providing their views on this subject.

The subcommittee's very able and distinguished chairman, Mr. MUSKIE, opened today's hearing with an illuminating and incisive statement of the issues under consideration. He said:

The Hobson's choice offered to all Americans is between higher property and sales taxes or the starvation and eventual death of worthwhile social initiatives.

Full understanding of this issue is critical if we are to act rationally and decisively in this area, and I therefore ask that Senator MUSKIE's statement be printed in the RECORD.

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

OPENING STATEMENT OF SENATOR EDMUND S. MUSKIE, FEBRUARY 21, 1973

The hearings we begin today in the Subcommittee on Intergovernmental Relations will examine the policy the President calls the New Federalism and the impact of that policy on the performance of State and local governments.

In such a setting, we should expect that the issues raised will be immediate and intensely political. There will be forceful debate on the priorities set in the Federal Budget for Fiscal 1974. We will hear painful questions asked about the elimination or drastic reduction of important and popular programs of Federal assistance. We will explore the danger that diminished national expenditures in many vital areas, will force heavier, not lighter, tax burdens.

I welcome such argument. And I do not shrink from the idea that the controversy will be political. It is through such contests between partisans of differing ideas that America shapes its purpose and identifies its goals.

But at the outset, I want to define the broad framework in which these hearings are held. When Americans passed from a shaky Confederation to a strong Federal republic, they did so, as the Preamble to the Constitution said, "in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty . . ." And they gave the Congress the power, in Article 1, Section 8 of their Constitution to "provide for the common defense and general welfare of the United States."

Ever since 1788 when the Constitution was ratified, a creative tension has persisted over the interpretation of those words, over the relative responsibilities of the National and State legislatures to act decisively for the general welfare. Still the most durable standard for cooperative Federalism in 1973 is the one set out by Alexander Hamilton in 1791, when he said:

"It is . . . of necessity left to the discretion of the National Legislature to pronounce upon the objects which concern the general welfare and for which, under that description, an appropriation of money is requisite and proper. And there seems to be no room for doubt that whatever concerns the general interests of learning, of agriculture, of manufactures, and of commerce are within the sphere of the national councils as far as regards an application of money."

We have amplified Hamilton's interpretation to match the growth of the society he helped to found. "The general interests of learning" now extend to Federal aid for disadvantaged children, handicapped by illness, by race or by poverty. "The general interests of agriculture" have been read to cover the need for conservation programs, disaster loans and the electrification that makes isolated rural communities working parts of the whole nation. "The general interests of manufactures" now mean tax incentives for industrial investment on one hand and consumer protection on the other. "The general interests of commerce" extend to the battle to restore an endangered environment as well as to the regulation of interstate transport.

To "establish justice" we have enacted Federal civil rights laws and provided for their enforcement. To "insure domestic tranquility" we have worked to aid cities renew their most battered neighborhoods and deprive crime of its breeding grounds. To "promote the general welfare" we have sought to guarantee hope in childhood, broad opportunity in the working years, medical care in illness and dignity in old age. To "secure the blessings of liberty" we established systems to assure legal counsel to the poor and to obtain equal treatment under the law for all.

Over the last 40 years the States and cities, the Congress and the President have established a cooperative Federalism that takes the Constitutional mandates of government as obligations to all Americans, goals that transcend State lines and purposes that are blind, to distinctions of class or wealth or race or sex or religion. Pressed by competing, pluralistic interests, we have used the Federal setting to define "the general welfare" and to match national resources against overall needs.

But now we face a revival of the old slogans of selfish interest, masquerading this time under the banner of government economy, smokescreened by sallies against bureaucratic waste and trumpeted as streamlined efficiency. The rhetoric of the New Federalism is clever, but the substance is the long-discredited belief which, in the words of Alexander Pope, ordains "self love and social be the same."

Sadly, perhaps, they are not the same. "Social evils pile up," Adlai Stevenson wrote a dozen years ago at the end of another period of government by apathy, "when little beyond unchecked private interests determines the pattern of society."

Now, in 1973, the Administration is telling us that governmental efforts to determine the pattern of society have, by and large, been failures. On the basis of this highly arguable diagnosis, the President is moving to dismantle those parts of the Federal ap-

paratus which were constructed out of concern for the public interest.

He is acting like a doctor treating an infected thumb by recommending amputation of the whole arm. The patient's health is of less concern than the chance to perform radical surgery.

I do not doubt that the infection is serious. But the cure seems worse than the disease.

In the course of these hearings we will look at some of the remedies the President has ignored. We will ask why defense expenditures should rise $4.7 billion in this year of peace and international detente. We will ask why, subtracting the costs of Vietnam from the budgets this year and last, spending for other defense and military assistance programs should increase $7.5 billion. Further, we will ask why immediate reform of our tax laws could not produce both greater equity for all and new revenues from those who now pay less than their fair share.

Finally, these hearings will investigate ways to correct the problems of delay and duplication, frustration and waste of resources that now hinder the effective operation of many categorical grant programs. The problems are there. A survey of cities by this Subcommittee, being distributed in preliminary summary at the opening of the hearings, details the extent of the breakdown in the delivery of Federal assistance. But the responses we have received from concerned city officials spell out a cry for reform, not a mandate for mutilation.

For there must be no mistaking the truth; the President's proposals amount to a radical reversal of the concept of Federal responsibility for "the general welfare" as that concept has developed through our history. The New Federalism says that the Federal Government can slash its contributions to meeting national educational, medical, environmental, urban and employment needs and assign primary responsibility for those areas to State and local authorities.

Such an abdication of national commitment means that these enduring obligations will have to be met in the future by local financial structures that are already ill-equipped to handle existing burdens . . . or not met at all. Taxes will not be saved. They will be shifted. Self-reliance will mean that State government or local government or those least able to bear the costs will have to pay the bills.

The Hobson's choice offered to all Americans is between higher property and sales taxes or the starvation and eventual death of worthwhile social initiatives. Cooperative Federalism with its generous insight into national needs gave birth to these programs. A narrow definition of economy is now intent on strangling them before they can bear full fruit.

And the claim of economy is a false one. What savings can result from terminating the Public Employment Program that will not be outmatched by higher unemployment insurance costs? What thrift is there in ending Neighborhood Youth Corps when such a move propels idle youngsters into crime and forces higher expenditures for police protection? What logic can there be in closing day care centers—or in failing to establish needed ones—which would permit welfare recipients to become working citizens?

The President will claim that the special revenue sharing he has proposed will redeem the Federal obligation while putting the responsibility for successful execution of social programs at the level nearest the real needs. But the Budget figures belie that assertion. The funds requested for grants-in-aid and special revenue sharing combined for Fiscal 1974 represent a net drop of $3.6 Billion under the outlays for programs that were carefully targeted last year. And the removal of the features that matched Federal money to local efforts further harms the development of private philanthropy as an extension of governmental endeavor.

General revenue sharing, our survey of cities indicates, has gone for many of the purposes it was intended to serve. The first year's allocations are being targeted on the capital construction needs, improved official salaries and better public safety which many cities could not have undertaken without the supplementary help general revenue sharing provides.

One area, however, has obviously been neglected. Only a small proportion of these first funds are being spent by the cities on social services for the elderly and the poor, even though such essential expenditures were one of the law's priorities.

And now the assistance given with one hand is being withdrawn with another—in total contempt of the promise implicit in last year's commitment of Federal help to hard-pressed local governments. Revenue sharing was not considered when it was passed—and must not be considered now—as an excuse to cut back Federal funding of social programs. Speaking two years ago to the very group of Mayors who will appear as the Subcommittee's first witnesses today, I said:

"We can never get maximum benefit from the war against poverty, from the Model Cities Program, and from the air and water pollution control programs so long as the streets of our cities are strewn with garbage for lack of money to collect it or so long as our cities remain hotbeds of crime and violence because they cannot afford police to prevent it.

"What the cities need now is financial assistance they can use to pay the operating costs of government. They need money to pay for police and fire protection, schools, and garbage collection. They need, in short, general revenue sharing."

What the cities and States do not need—and cannot afford—is a betrayal of the promise of general revenue sharing. What they do need is a reform in the bureaucracy which now obstructs the efficient delivery of Federal assistance. These hearings will seek to determine the most appropriate reforms.

But the Congress is not ready to pass sentence of death on the concept of Federalism that has grown to meet the needs of a growing nation. We are not prepared to accept something called the new Federalism without understanding that it is a profound retreat back to the reactionary view of government as a necessary evil. We remain committed to the belief that through cooperative Federalism we can make government again an instrument for the general welfare, a weapon to restore our sense of shared purpose and of great national enterprise.

VOTE OF THE 18- TO 21-YEAR AGE GROUP IN NOVEMBER ELECTION

Mr. BROCK. Mr. President, recent statistics released by the Census Bureau give a breakdown, by age group, of percentages of the population who voted in the elections of last November.

The breakdown shows that persons in the 18- to 21-year-old group had the lowest percentage voting, compared to the total population of that age. This statistic has been widely commented upon, and has been interpreted in some circles as reflecting poorly on the young adults of the Nation.

In fact, I believe that, all things considered, young people did very well in accepting the new responsibilities which they derived from the 26th amendment to the Constitution.

One statistic that was overlooked by many commentators was that of those registered to vote, the 18- to 21-year-olds voted in a higher percentage than any other age group.

Clearly the problem was one of registration, not voting.

Registration is not easy, in spite of the many programs that have been established to assist registrants. It becomes particularly difficult when you consider the highly mobile nature of this segment of the population.

A great many persons in the age group are attending college, often far from their parents' homes. Registration procedures for them were particularly difficult, and there was a clear lack of uniformity from State to State, and even from county to county within a State.

Other young people are in the armed services, and registration for them presented peculiar problems of its own. It must be remembered too, that service personnel, divorced as they are from their communities, do not receive the stimuli of local elections of others who are more directly affected by such offices as Governor, State legislator, or county official. Moreover, they were not subjected to the intensive campaign activities of those living in the precincts.

Even aside from these factors, it should be remembered that these young citizens have had only a year or two in which to register, whereas their seniors have often had more years than they care to remember. That fact alone accounts for a large percentage of the unregistered.

It is regrettable that more citizens of all ages do not exercise their franchise. But I do not believe that our young people deserve to be singled out in this regard.

On the contrary, I believe that they fully justified the wisdom of those who supported the 26th amendment. They accepted their duties as citizens and performed them with intelligence and dignity.

I congratulate them for that achievement.

MAYORS PLEAD FOR SOCIAL PROGRAMS

Mr. MUSKIE. Mr. President, this morning the Subcommittee on Intergovernmental Relations held hearings on the impact of the President's proposed budget on the Nation's cities. Twelve deeply concerned mayors—representing the legislative action committee of the National League of Cities-U.S. Conference of Mayors—painted a deeply disturbing picture of the disastrous impact which the proposed cutbacks in social and human resource programs will mean to the people of our cities.

The mayors who testified this morning were Mayor Moon Landrieu of New Orleans, chairman of the committee, Mayor Joseph Alioto of San Francisco, Mayor Lee Alexander of Syracuse, Mayor Stanley Cmich of Canton, Ohio, Mayor Peter Flaherty of Pittsburgh, Mayor Roman Gribbs of Detroit, Mayor Richard Hatcher of Gary, Mayor John Lindsay of New York City, Mayor Henry Maier

of Milwaukee, Mayor Norman Mineta of San Jose, Calif., Mayor Patricia Sheehan of New Brunswick, N.J., and Mayor Wesley Uhlman of Seattle. Mayor Kenneth Gibson of Newark was prevented from appearing personally, but submitted a written statement.

Mr. President, because the testimony of the mayors has such relevance to the ongoing national debate about the President's budget proposals, I ask uanimous consent that these statements and a statement on manpower programs submitted by the U.S. Conference of Mayors be printed in the RECORD at this point. I urge my colleagues to heed the pleas of the mayors.

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

STATEMENT OF MOON LANDRIEU, MAYOR OF NEW ORLEANS, LA., AND CHAIRMAN, LEGISLATIVE ACTION COMMITTEE OF THE U.S. CONFERENCE OF MAYORS

Mr. Chairman, as Chairman of the Legislative Action Committee on the United States Conference of Mayors, I wish to express our individual and collective appreciation to you for inviting us here. We are grateful for this early opportunity to officially set before the Congress our views on the Administration's proposed Fiscal 1974 Budget.

In order to deal with such a massive document in a single morning as fully as possible and with a maximum of dispatch and a minimum of duplication, each of my fellow Mayors will confine his statement to a single problem raised by the proposed Budget or to the major impacts of the Budget on his city. My role as opening witness is, first, to present an overview of what we as Mayors foresee in our cities if Congress adopts the Administration's proposed budget and, second, to recommend some alternative courses of action.

And let me assure you that we have not come here to wage an all out defense of every categorical grant program devised in the previous decade. Many, if not most, of those programs were effective . . . others have not been. Many, if not most, were needed and appropriate at the time, but their time may have passed.

We generally support the Administration's ultimate goal of consolidating various grant-in-aid programs provided the new system is adequately funded. Grant consolidation is a logical and progressive step for the Federal Government to take in meeting the varied needs of local governments as diverse as Houston and New Orleans.

Yet between now and that program's opening volley in July of 1974 the battle may be lost. For the Administration in its budget plans for FY '73 and '74, has brought the center city to its knees with crippling cutbacks and reductions and the frequent suggestion from the Executive branch that these urban losses be made up with general revenue sharing is the most curious irony of all [for it may represent a failure by the Administration to even accurately measure the enormity of the budget cuts and their effect upon urban areas.]

From the perspective of Mayors, what does this Budget mean?

It means shifting more of the tax burden of this nation from the progressive federal income tax to regressive local sales and property taxes.

It means reducing not only the federal government's role, but also its basic commitment to advancing the general welfare.

It means an end to the Emergency Employment Program, a dismantling of OEO, and a cutback of Model Cities—all of which have been used by many Mayors to bring minorities into the mainstream of government service.

It means a six to twelve-month break in our already-inadequate pace in renewing our blighted neighborhoods.

It means that low-income housing and sewage treatment plants and hospitals and new towns will not be built.

It means suddenly being informed that "a legacy of parks" is a local, rather than a national, responsibility.

It means a 4% increase in funds for Criminal Justice purposes with details to be supplied later as to the nature and extent of a role for City Governments.

It means the status quo in Urban Mass Transportation funding and a 24% increase in highway funds for an Urban Transportation Program to operate within a framework which is yet to be ironed out.

The proposed budget means all of this, Mr. Chairman; and to those Mayors who have constitutional or statutory responsibilities in the fields of public education, welfare, and health it has additional meanings. Each of these meanings will be addressed in the statements of my fellow-Mayors—in statements borne out of frustration, desperation, anguish and outrage.

We feel so strongly, Mr. Chairman, because we trusted in assurances by the Administration that the enactment of General Revenue Sharing would not mean a cutback in funds for categorical grants-in-aid. Our understanding that General Revenue Sharing was to be "new" money goes back at least to July 8, 1969, when a meeting was held at the White House attended by Governors, County Executives, and four Mayors accompanied by the Executive Vice President of the National Leagues of Cities. Our understanding was given support in the State of the Union Message of January 22, 1971, in which President Nixon proposed going beyond General Revenue Sharing to what he later called "special revenue sharing". The President said:

"I propose that the Congress make a $16 billion investment in renewing State and local government. $5 billion of this will be new and unrestricted funds, to be used as the States and localities see fit. The other $11 billion will be provided by allocating $1 billion of new funds and converting one-third of the money going to the present narrow-purpose aid programs into Federal revenue sharing funds for six broad purposes—"

In other words, The President not only confirmed our understanding that the unrestricted general revenue sharing funds were to be all new funds, he offered still another $1 billion of new money to be added to the six broad purpose programs which he would create by conversion of one-third of categorical grant programs.

Secretary of the Treasury, Connally, was quite explicit about revenue sharing in his statement before the House Ways and Means Committee on June 2 and 3, 1971. Secretary Connally said:

"As the money will be in addition to existing programs, each State, city, and county will benefit directly: Each will receive revenue sharing money in addition to any benefits, services, or money it is now obtaining from the Federal Government."

The U.S. Conference of Mayors, Legislative Action Committee, testified before Ways and Means the week following Secretary Connally's testimony. We stressed two points in our testimony:

First, that as Mayors we had raised local taxes to our legal or economic limits. Second, that mostly we needed this new federal fiscal assistance for basic services such as fire, police, and garbage which were beyond the scope of the categorical grants. The President understood the kinds of basic services which cities were being forced to cut. The example he had used in the State of the Union Message was the cutbacks in "trash collections" in San Diego and Cleveland.

Sixteen months after our appearance before the Ways and Means Committee the State and Local Fiscal Assistance Act of 1972 became law. We knew that the Administration remained committed to our understanding that general revenue sharing was new money and was to be used primarily for basic services. We knew this because the Department of the Treasury issued a booklet entitled "What General Revenue Sharing Is All About." It contains the following question and answer:

"Question: Will any programs be terminated because general Revenue Sharing has begun?

"Answer: No Revenue Sharing does not mandate any cuts in existing Programs. The purpose of the Revenue Sharing law is to allocate additional funds to state and local governments to augment existing programs and certain capital expenditures."

As late as January 19, 1973, many of the Mayors in this room received verbal assurances at the White House by Democratic Affairs Council staff that even though the Budget would assume the expiration of the Emergency Employment Act that the Mayors would like what the Budget provided for other urban programs.

Imagine our shock, our dismay, our confusion when the Budget was released calling for no money for Model Cities, a token amount for Urban Renewal, an end to numerous categorical programs. Our shock was further compounded when we saw that the section of the Budget providing for the dismantling of OEO also contains the following language:

"If constituencies of individual communities desire to continue providing financial support to local community action agencies, general and special revenue sharing funds could be used."

This is directly contrary to Secretary Connally's response to Congressman Landrum in the Ways and Means hearing in which the Secretary said, ". . . there will be no Federal bureaucrats to tell the cities or States how they can spend it."

But enough of history. We must deal with the situation that now confronts us. In the weeks and months ahead we will be calling upon the Congress to join with us in dealing with the situation. We will be calling for:

1. A modified Emergency Employment Program targeted for areas of hardcore unemployment. (Mayors Sheehan and Cmich will speak to this.)

2. A proper role for cities in both Law Enforcement Assistance and in the proposed Urban Transportation Program.

3. Adequate FY '74 appropriations, especially in the fields of housing and urban development and employment. (This will immediately confront both us and the Congress with issues of spending ceilings, impoundments, inflation, and the role of elected officials at all levels in the reordering of national priorities. Mayor Lindsay has a statement addressing these issues.)

4. When the appropriate Congressional Committees take up the question of block grants we will be seeking opportunities to insure that any such legislation properly deals with our concerns about "Hold Harmless", a growth factor, and a planning and management resources. (Mayor Mineta's statement will deal with the issues raised by a block grant for Community Development.)

In conclusion, Mr. Chairman, we as Mayors simply cannot accept a philosophy emanating from Washington which says that programs which have not met expectations are to be eliminated and programs which have met expectations are now local responsibilities (without federal resources). Eliminating programs does not eliminate the problems those programs were designed to cope with.

Thank you, Mr. Chairman.

TESTIMONY OF WES UHLMAN, MAYOR, CITY OF SEATTLE

Senator Edmund Muskie, Chairman: Honorable Chairman and Committee Members, I am very grateful for this opportunity to address you on an issue which is of the utmost concern to the city whose people I serve and to myself personally.

As much as I might wish, I cannot change or soften the gravity of the crisis before us. The proposed Executive Budget for 1974 poses a direct and serious threat to the life of Seattle and its people, and to every urban center in the nation. Its recommendations endanger the viability of municipal government, the stability of the urban economy, the quality of the physical environment, and the individual lives of citizens. In short, the whole fabric of urban community in America is threatened.

This is not hyperbole. Rhetorical embellishments are not necessary. The figures speak plainly for themselves.

The Presidential impoundments and the proposed Executive Budget represent a loss of $97.8 million in projects serving Seattle. In terms of 1972 funding levels for programs directly administered by the city government, over $25 million would be lost, and another $52 million placed in jeopardy. Under this budget, the city government could lose a sum equal to its General Fund for 1973, well over half of the federal funding it is currently receiving.

These dollars, despite the opinion expressed in the White House, represent programs which have held real benefit for individuals and for the total community.

For an aging blind man, the President's budget will mean no more new braille books . . . and back to loneliness and isolation.

For a black mother finally off of welware and into a job, the President's budget will mean no day care center for her children . . . and back to welfare.

For a youngster who has dropped out of school, the President's budget will mean no possibility of a job from Neighborhood Youth Corps . . . and back to the streets.

For an elderly person unable to leave his room, the President's budget will mean no one to come and help cook a meal . . . and back to a life of unending monotony, without dignity.

For an Indian family, the President's budget will mean no public health hospital to turn to in an emergency . . . and back to the precarious existence in the shadows of a white society which does not care.

For all of the people in Seattle's inner city, the President's budget will mean an end to the progress which it has enjoyed for the past five years. It will mean no more Model City Programs. It will mean that a steadily declining crime rate could begin again to climb. It means no more development of needed parks. It means no hope of initiating a program of long overdue housing rehabilitation and development.

For the city's minorities, it means the end of programs which have recruited and trained them for jobs in city government, and thereby raised minority employment on the City's payroll from 3% to over 13% in less than five years.

For all the city, the President's budget could represent a loss in direct and indirect employment and business of a quarter of a billion dollars. It will force unemployment back up, and negate two years of effort to lower unemployment from a high of 12% to a current 9%.

This is what the President's budget will or could mean just on the face of it, without trying to compute the loss of many state, regional, and county programs affecting the city, without trying to calculate the impact of the transfers of program authority from the city to other levels, without trying to figure out the changes in funding formulas, and without trying to anticipate future freezes and impoundments.

The President has offered three basic justifications for his proposed budget. He has said that it will combat inflation, that it will eliminate programs that have failed, and that it will revolutionize the delivery of social services under the banner of the new federalism. For my own part, I must challenge all three of these premises.

First, and very simply, I cannot accept the sacrifice of social programs in the name of preventing inflation, when there is at the same time proposed a $4 billion increase in the Defense budget, particularly coming at the conclusion of a war. I cannot accept this rationale, when the President refuses to recommend the reform of the inequities and privileges of the Federal tax system which help to promote inflationary business activity.

I agree with the President that some of the programs initiated as experiments under the New Frontier and the Great Society have not met expectations. I cannot condone, however, throwing the baby out with the bath water, nor can I understand why the Administration has not acted to apply the lessons of these programs in instituting new and better approaches to meet social needs.

Above all, I cannot accept this explanation when military programs which fail year after year to meet their objectives or exceed their budget by billions of dollars are not treated with the same severity as social programs. In all conscience, I must ask you how many years sooner might our prisoners have come home if this criterion of failure had been applied as forcefully to our commitment in Vietnam as it is to our commitment to America's cities.

Finally, on the issue of new federalism, I can only respond with confusion and dismay.

I, like most of us in this room, I am sure, applauded the President's call for a new American revolution, for the transfer of responsibility from a burgeoning national bureaucracy to the state and local governments.

In this spirit, we accepted general revenue sharing. Its intent was simple: give the cities back a portion of the funds which they have paid out so that they could avoid bankruptcy. Many of the mayors in this room, including myself, came to Washington again and again to lobby for general revenue sharing because we knew that without it, our governments could not fill the growing breach between the demand for additional city services, let alone new ones, and the local revenues available to us. In essence, we turned to the world's largest and most efficient tax collector for the same consideration afforded an ailing defense contractor.

But general revenue sharing has not turned out to be the savior we had hoped for. Even with revenue sharing, the City of Seattle faces a possible deficit next year of almost $7 million, solely because of inflation and higher labor costs and with no expansion of services or employment.

Special revenue sharing presents even dimmer prospects. Of the anticipated program losses I described earlier and itemized in the attachments to this testimony, special revenue sharing would make up barely half.

If these revenue sharing proposals and the Executive Budget are the new federalism, then I must say that cities have been deceived. We have been given greater responsibilities, but we have been denied the resources and the tools needed to fulfill them.

The new federalism has turned out to be a Trojan horse for America's cities. A gift left behind by an administration retreating from its basic responsibilities to the citizens. A hollow gift filled, not with enemy troops as in ancient Troy, but with impoundments and program freezes, with lopsided funding formulas, with broken promises and cynical pretexts, and with an Executive Budget that will spell disaster for human services and community development in every city in the nation.

Just before I left Seattle, I told a forum of over 300 citizens concerned about revenue sharing and the President's budget that the situation was not hopeless because there is still a Congress in this country. You, gentlemen, and your colleagues in the Senate and in the House of Representatives, are truly our only hope.

STATEMENT ON MANPOWER PROGRAMS

(Submitted on behalf of the U.S. Conference of Mayors)

The Administration's Fiscal Year 1974 Budget proposes a drastic reduction of Federal support for job creation and manpower training services. This stark impact is not obscured by the proposed expansion of authority of State and local governments over manpower programs. Nor can the reduction be hidden by the decision to stretch out expenditure of funds for the Public Employment Program through Fiscal Year 1974 or by the decision to reduce Fiscal Year 1973 expenditures for manpower training by recissions of existing appropriations.

In simplest terms, the Administration's Budget proposes to eliminate more than 50 percent of the funds presently available for job creation and manpower training.

It proposes to terminate the Public Employment Program (PEP). While this is to be accomplished by phasing out the program through Fiscal Year 1974, such a phase-out process does not conceal the fact that there will be some 180,000 less job opportunities in the public sector than there will be if PEP is continued.

It proposes no monies for summer programs for youth—no funds for jobs for young people, no support for recreation or transportation programs. Thus, nearly three-quarters of a million young people will not have a job this summer that did last year. It means that there will not be recreation and cultural programs for some two million young people. And it means that approximately a million young people will not have access to employment, recreational or cultural activities because there will be no funds for transportation support.

It proposes to reduce training services provided to the nation's unemployed and disadvantaged by over 35 percent.

PUBLIC EMPLOYMENT PROGRAM—PEP

The Budget proposed by the Administration makes no request for the continuation of the Emergency Employment Act of 1971. It proposes that the full $2.25 billion authorized for FY 1972 and FY 1973 be appropriated and spent. However, these funds will be used to phase out the program through Fiscal 1974.

This extended period for phasing out the program would ease the burden which Program Agents—State, County and City governments—will face in placing participants in unsubsidized employment or laying off does not change the fact that there will be no funds to continue the jobs created under PEP and that there is no alternative offered to help meet the public service needs of State and local governments.

PEP, to date, has had some 234,000 participants nationally. These participants have worked in some 181,000 jobs created under this program. Two hundred and twelve (212) cities of a population of 75,000 or more have served as Program Agents under the program. One-third of the jobs are administered by these cities. Countless more cities, of less than 75,000 population, employ PEP participants in their role as subagent to County or State governments.

The impact of the elimination of PEP is staggering. At the simplest level, it means that 181,000 employment opportunities which existed this year will be gone next.

It means that 181,000 man years of public service in State and local governments which has provided this year must be eliminated or will require additional local revenues to continue. No time extension without additional funds can obscure that fact.

Who are these people that PEP's elimination will throw back into a still glutted labor market? These are not, as has been too frequently implied, the temporarily displaced or the readily employable. Over 50 percent of the PEP participants of city Program Agents are members of minority groups and over 40 percent are disadavtanged. They are 40 percent veterans, nearly three-quarters of whom are veterans of the Vietnam era. Some 25 percent are under age 22. Twenty-five (25) percent have less than a high school education. These are not the characteristics of the readily employed.

What will be the impact on public services in our cities and States? The real toll that will be taken can only be measured city-by-city. We do not have the time to do that here. But let me give you some examples. In Canton, PEP meant that we were able to maintain the existence of the municipal transit system which otherwise would have closed. In Shreveport, the addition of Fire Department personnel resulted in an improved insurance rating for the city with the result that the average homeowner saves up to $20 per year on fire insurance premiums. In Denver, the response time for emergency medical services was cut in half. In Rochester, New York, PEP's elimination will result in the closing of six recreation centers and will wipe out the 40 percent increases in maintenance and repair of municipal property.

These are but several examples of the expanded public services which PEP made possible. In addition, over 60 percent of the city Program Agents utilized PEP to provide new and long needed public services. Drug abuse and rehabilitation clinics were initiated in Jersey City, Honolulu, Long Beach, Duluth, and Hayward, California, among others. Environmental protection programs were initiated such as recycling centers, riverbank stabilization, conduct of environmental impact studies, emissions inventories and pollution surveillance and compliance units. Consumer affairs units, programs for the elderly, paramedical services, security guards for housing and educational facilities—all of these were among the innovative and new programs which PEP enabled cities to undertake.

The statement of Dr. Jon Lindlof, Assistant Professor of Education at the University of Maine testifies to one more aspect of PEP's impact. Dr. Lindolf conducted training sessions for participants hired to fill the 90 teacher aide positions created with PEP funds in Maine. In expressing his feeling that the program had important effects on the public school systems in Maine, he noted—

"The introduction of aides, who in many cases are more truly representative of the socioeconomic status of students in the community, effectively improves communications between students and teachers. Secondly, the notion that education is best conducted with a pupil-teacher ratio of 1 to 30 has increasingly been recognized as a notion that places impossible burdens on teachers. The introduction of extra personnel with varying degrees of training effectively reduces the student-teacher ratio by half or more and makes possible successful individualization in the educational process."

If PEP is eliminated, what will happen to these teacher aides in the State of Maine?

The legitimate demand for increased public service is a constant in our cities. Every study conducted in the last 7 years, including a survey undertaken recently by the Senate Subcommittee on Employment, Manpower, and Poverty, reveals that States and local government could effectively use three to five times the number of employees that are now employed under PEP. And PEP's implementation has proven that the use of the word "effective" is valid.

SUMMER YOUTH PROGRAMS

The Administration's Budget proposes *no* summer program funds, be it for employment through the Neighborhood Youth Corps Program or assistance for recreational and cultural programs through the Recreation Support Program (RSP) and the Summer Youth Transportation Program (SYTP).

What the Budget offers is a cruel choice. If we want to undertake summer youth programs, we must either take funds from the already reduced monies available for manpower training services or we may be given the option to use some of the PEP monies for summer employment opportunities. In effect, the option is to prevent a parent from receiving needed training or eliminate a parent's PEP job in order to provide a summer job to their children.

The consequences of the elimination of these programs are made apparent by the results of the programs in the summer of 1972.

Funds for Summer Neighborhood Youth Corps provided 740,000 jobs for young people.

Funds for Recreation Support ($15 million) provided recreational and cultural programs which served over 2 million young people.

Funds for Summer Youth Transportation ($1.5 million) made transportation available to some one million young people for the purpose of employment, and recreational and cultural activities.

This is what will not happen this summer, under this Administration's proposed Budget.

And it should be noted that the need is even greater than the past summer's program could meet. A survey was conducted by the National League of Cities and U. S. Conference of Mayors of the cities' 1973 needs for summer youth program support. A copy of the results of that survey is submitted with this statement.

In summary, it indicates that the present real needs are some one million summer employment opportunities, nearly $25 million for recreation support and over $3.5 million for transportation support.

MANPOWER TRAINING SERVICES

In the area of manpower training services (those authorized under the Manpower Development and Training Act and the Economic Opportunity Act), the Administration proposes a budget authority of $1.340 billion for FY 1974. And it must be noted that this total includes $40 million transferred from OEO to the Department of Labor for migrant programs. Thus, comparisons with prior years' funding levels means that the figure for manpower training services for FY 1974 would be only $1.300 billion.

This figure compares to a Fiscal Year 1972 appropriation of $1.682 billion and a Fiscal 1973 anticipated budget of $1.549 billion, or reductions of 28 percent and 16 percent respectively.

We use the word "anticipated" for the FY 1973 budget authority with a purpose. The Administration, as part of its Fiscal Year 1974 budget proposes to reduce the Fiscal Year 1973 budget by some $375 billion. Thus, they now show an appropriation for Fiscal 1973 of $1.174 billion. This $375 million reduction is to be accomplished by rescinding $284 million of the already approved EOA appropriation and a revised request for appropriations under MDTA which is $91 million less than had initially been requested and included in the vetoed DoL-HEW appropriations bill.

This means a nearly 25 percent reduction during the present Fiscal Year. And this reduction is being accomplished with or without the benefit of Congressional action by means of budget cutbacks and enrollment freezes which were initiated administratively in December and which still continue.

By the Department of Labor's own statistics, this means there will be a reduction, in this Fiscal Year, of 25 percent in the number of man-years of training provided under MDTA and EOA programs. Again, using the Department's own figures, there will be a reduction of over 50 percent in the number of new enrollees in manpower training programs between Fiscal 1972 and Fiscal 1973. More than 700,000 potential enrollees will not be served this year. More than 130,000 man-years of training will be unavailable.

And that is within this Fiscal Year only. The Department's statistics project another decrease of 11 percent, or over 40,000 man-years of training in Fiscal Year 1974, compared to Fiscal Year 1973.

The Administration's budget states that they will move administratively to decategorize and decentralize manpower programs. This is a goal which we have long sought and continue to support, although we believe that its achievement would be better realized through comprehensive reform legislation. But while we support the goal, its accomplishment at the funding level proposed in the Budget will be a pyric victory.

SUMMER NEIGHBORHOOD YOUTH CORPS

City (rank in size)	Population	Slots: 1972 need	Slots: 1972 actual [1]		Slots: 1973 need	Dollars [2] 1973 need
Region I:						
Boston (16)	641,000	5,000	5,213	(4,692)	6,400	2,995,200
Region II:						
Buffalo (28)	463,000	4,268	2,238	(2,014)	6,834	3,198,312
Newark (35)	382,000	14,563	7,000	(6,300)	14,563	6,815,484
New York (1)	7,868,000	77,500	54,800	(49,320)	77,500	36,270,000
Rochester (49)	296,000	4,650	1,030	(927)	4,650	2,176,100
Region III:						
Baltimore (7)	906,000	9,420	7,712	(6,941)	9,420	4,408,560
Norfolk (47)	308,000	2,625	2,200	(1,980)	3,500	1,638,000
Philadelphia (4)	1,949,000	12,500	8,571	(7,714)	15,000	7,020,000
Pittsburgh (24)	520,000	9,265	5,670	(5,103)	9,265	4,336,000
District of Columbia (9)	757,000	36,000	3,999	(3,599)	20,000	9,360,000
Region IV:						
Atlanta (27)	497,000	3,408	4,680	(4,212)	5,388	2,521,584
Birmingham (48)	301,000	2,135	2,757	(2,481)	2,774	1,298,232
Jacksonville (23)	529,000	1,735	637	(573)	2,500	1,170,000
Louisville (38)	361,000	3,500	2,250	(2,025)	3,500	1,638,000
Memphis (17)	624,000	2,394	1,935	(1,741)	2,394	1,120,392
Miami (Dade county) (42)	335,000	8,226	5,429	(4,886)	8,226	3,849,768
Nashville (30)	448,000	2,000	1,700	(1,530)	2,000	936,000
Tampa (50)	278,000	6,515	2,649	(2,384)	6,515	3,049,020
Region V:						
Chicago (2)	3,376,000	40,000	31,617	(28,455)	40,000	18,720,000
Cincinnati (29)	452,000	3,000	3,592	(3,233)	5,000	2,340,000

SUMMER NEIGHBORHOOD YOUTH CORPS—Continued

City (rank in size)	Population	Slots 1972 need	Slots 1972 actual [1]		Slots 1973 need	Dollars [2] 1973 need
Region V—Continued						
Cleveland (10)	751,000	11,100	12,457	(11,211)	12,500	5,850,000
Columbus (21)	540,000	2,000	1,650	(1,485)	1,800	842,400
Detroit (5)	1,511,000	25,000	18,488	(16,639)	25,000	11,700,000
Indianapolis (11)	745,000	2,500	2,100	(1,890)	3,000	1,404,000
Milwaukee (12)	717,000	3,000	3,379	(3,041)	3,379	1,581,372
Minneapolis (32)	434,000	2,735	1,800	(1,620)	3,080	1,441,440
St. Paul (46)	310,000	1,025	1,210	(1,008)	1,300	608,400
Toledo (34)	384,000	990	1,400	(1,260)	1,400	655,200
Region VI:						
Dallas (8)	944,000	2,280	1,505	(1,355)	2,280	1,067,040
El Paso (45)	322,000	3,000	1,168	(1,051)	4,672	2,186,496
Fort Worth (33)	393,000	1,507	155	(140)	1,507	705,276
Houston (6)	1,233,000	3,560	5,284	(4,756)	5,664	2,650,752
New Orleans (19)	593,000	5,000	3,085	(2,776)	5,000	2,340,000
Oklahoma City (37)	366,000	1,530	1,010	(909)	1,530	716,040
San Antonio (15)	654,000	5,514	5,080	(4,572)	6,000	2,808,000
Tulsa (43)	332,000	1,011	771	(693)	1,011	473,148
Region VII:						
Kansas City (26)	507,000	4,000	3,580	(3,222)	4,000	1,872,000
Omaha (41)	347,000	1,670	867	(780)	1,670	781,560
St. Louis (18)	622,000	5,910	8,060	(7,254)	9,000	4,212,000
Region VIII:						
Denver (25)	515,000	2,100	2,038	(1,834)	2,100	982,800
Region IX:						
Honolulu (44)	325,000	2,800	791	(711)	2,800	1,310,400
Long Beach (40)	358,000	432	384	(345)	432	202,176
Los Angeles (3)	2,813,000	24,568	25,319	(22,787)	27,491	11,700,000
Oakland (39)	362,000	5,850	2,050	(1,845)	5,850	2,737,800
Phoenix (20)	582,000	17,000	3,964	(3,567)	17,000	7,956,000
San Diego (14)	697,000	4,510	4,733	(4,259)	5,500	2,574,000
San Francisco (13)	716,000	8,000	4,000	(3,600)	8,000	3,744,000
San Jose (31)	446,000	3,535	1,910	(1,719)	3,535	1,654,380
Region X:						
Portland (36)	382,000	5,000	2,500	(2,250)	5,000	2,340,000
Seattle (22)	581,000	5,000	2,163	(1,947)	5,000	2,340,000

SAMPLING OF CITIES OTHER THAN 50 LARGEST

Akron, Ohio	275,425	1,216	1,190	(1,071)	1,351	632,268
Albany, N.Y.	114,873	540	449	(404)	600	280,000
Albuquerque, N. Mex.	243,751	1,000	815	(733)	1,000	468,000
Amarillo, Tex.	127,010	1,092	820	(738)	1,200	561,600
Baton Rouge, La.	165,963	225	150	(135)	250	117,000
Columbia, S.C.	113,542	1,825	2,030	(1,827)	2,030	950,040
Columbus, Ga.	154,168	1,820	1,720	(1,548)	2,000	936,000
Dayton, Ohio	243,601	1,500	1,320	(1,188)	2,500	1,170,000
Des Moines, Iowa	200,587	750	750	(675)	750	351,000
Erie, Pa.	129,231	950	950	(855)	950	444,600
Flint, Mich.	193,317	1,800	920	(828)	2,000	936,000
Ft. Lauderdale, Fla.	139,590	540	600	(540)	600	280,800
Gary, Ind.	175,415	4,447	3,500	(3,150)	4,447	2,081,196
Greensboro, N.C.	144,076	871	880	(792)	968	453,028
Hartford, Conn.	158,017	2,730	2,495	(2,245)	3,000	1,404,000
Jackson, Miss.	153,968	757	403	(363)	757	354,276
Knoxville, Tenn.	174,587	1,520	1,520	(1,368)	1,520	711,360
Lansing, Mich.	131,546	900	460	(414)	1,000	468,000
Lincoln, Nebr.	149,518	350	386	(347)	400	187,200
Little Rock, Ark.	132,483	1,320	72	(65)	1,320	617,760
Mobile, Ala.	190,026	900	756	(680)	950	444,600
Montgomery, Ala.	133,386	500	557	(501)	570	266,760
Riverside, Calif.	140,089	150	75	(67)	150	70,200
Santa Ana, Calif.	156,601	2,550	1,900	(1,710)	2,800	1,310,400
Savannah, Ga.	118,349	600	550	(450)	650	304,200
Shreveport, La.	182,064	637	628	(565)	700	327,600
Syracuse, N.Y.	197,208	1,565	1,200	(1,080)	1,500	702,000
Tacoma, Wash.	154,581	600	588	(529)	600	280,800
Wichita, Kans.	276,554	980	1,075	(967)	1,075	503,100
Winston-Salem, N.C.	132,913	850	750	(675)	850	397,800
Worcester, Mass.	176,572	825	705	(634)	900	421,200
50 largest total		410,831	278,490	(250,641)	421,930	197,463,240
Balance of cities		537,893	461,732	(415,559)	597,061	279,424,548
Total		948,724	740,222	(666,200)	1,018,991	476,887,788

[1] All figures in the above chart represent 10-week slots except the 1st column under 1972 actual which are 9-week slots.

[2] Dollar figures represent 10-week, 26-hour slots at $1.65 per hour.

SUMMER RECREATION SUPPORT PROGRAM (RSP)

	1972 need	1972 actual	1973 need
Region I:			
Boston	$180,000	$168,000	$350,000
Region II:			
Buffalo	120,000	123,000	125,000
Newark	140,000	100,000	200,000
New York	2,934,000	2,336,000	2,934,000
Rochester	95,000	68,000	136,000
Region III:			
Baltimore	335,000	302,910	335,000
Norfolk	180,000	132,000	201,500
Philadelphia	700,000	543,000	1,000,000
Pittsburgh	165,000	168,000	203,000
District of Columbia	364,000	245,000	364,000
Region IV:			
Atlanta	180,000	143,000	180,000
Birmingham	170,000	120,000	170,000
Jacksonville	175,000	150,000	250,000
Louisville	130,000	96,000	130,000
Memphis	305,000	264,000	305,000
Miami (Dade County)	192,000	126,000	192,000
Nashville	150,000	150,000	200,000
Tampa	175,000	132,000	175,000
Region V:			
Chicago	2,100,000	913,000	2,100,000
Cincinnati	175,000	135,000	175,000
Cleveland	205,000	230,000	380,000
Columbus	211,000	132,000	211,000
Detroit	897,000	399,000	897,000
Indianapolis	195,000	130,000	260,000
Milwaukee	155,000	144,000	160,000
Minneapolis	96,000	63,000	130,000
St. Paul	58,000	36,000	58,000
Toledo	120,000	84,000	120,000
Region VI:			
Dallas	$285,000	$228,000	$285,000
El Paso	200,000	194,000	250,000
Fort Worth	173,000	108,000	175,000
Houston	440,000	350,000	440,000
New Orleans	300,000	306,000	500,000
San Antonio	400,000	324,000	500,000
Tulsa	115,000	92,000	200,000
Oklahoma City	170,000	108,000	170,000
Region VII:			
Kansas City	130,000	118,000	200,000
Omaha	96,000	61,000	96,000
St. Louis	384,000	254,000	405,000
Region VIII:			
Denver	170,000	126,400	170,000
Region IX:			
Honolulu	99,000	70,000	140,000
Long Beach	125,000	72,000	125,000
Los Angeles	650,000	552,000	650,000
Oakland	125,000	104,000	125,000
Phoenix	200,000	144,000	288,000
San Diego	200,000	164,000	825,000
San Francisco	250,000	180,000	250,000
San Jose	100,000	85,000	100,000
Region X:			
Portland	135,000	89,000	135,000
Seattle	129,000	89,000	129,000
50 largest total	15,928,000	11,451,310	18,096,500
Balance of cities	6,030,000	3,548,690	6,850,080
Total	21,958,000	15,000,000	24,946,580

SUMMER YOUTH TRANSPORTATION PROGRAM (SYTP)

	1972 need	1972 actual	1973 need
Region I:			
Boston	$20,000	$10,700	$20,000
Region II:			
Buffalo	13,000	7,500	13,000
Newark	39,500	23,437	69,300
New York	251,400	149,130	500,000
Rochester	12,000	7,500	15,000
Region III:			
Baltimore	35,000	21,100	35,000
Norfolk	12,000	7,500	25,600
Philadelphia	24,360	24,360	100,000
Pittsburgh	22,000	12,650	22,000
Washington, D.C.	38,700	22,960	100,000
Region IV:			
Atlanta	$30,000	$12,080	$30,000
Birmingham	24,000	13,790	24,000
Jacksonville	14,000	6,300	14,000
Louisville	12,500	7,500	12,500
Memphis	18,000	11,860	18,000
Miami (Dade County)	23,000	12,000	23,000
Nashville	12,000	7,000	12,000
Tampa	17,000	7,500	0
Region V:			
Chicago	70,000	42,240	70,000
Cincinnati	15,000	7,920	15,000
Cleveland	35,000	19,310	35,000

	1972 need	1972 actual	1973 need
Region V—Continued			
Columbia	$17,000	$8,640	$17,000
Detroit	75,000	36,560	75,500
Indianapolis	15,000	8,480	15,000
Milwaukee	65,000	47,280	66,192
Minneapolis	20,000	12,380	75,000
St. Paul	12,500	7,500	12,500
Toledo	15,750	7,990	20,000
Region VI:			
Dallas	23,990	19,340	23,990
El Paso	58,900	38,900	77,800
Forth Worth	15,000	8,130	15,000
Houston	45,000	25,060	0
New Orleans	25,000	14,790	25,000
Oklahoma City	25,000	14,000	25,000
San Antonio	26,570	14,570	26,570
Tulsa	12,500	7,500	20,000
Region VII:			
Kansas City	50,000	13,970	50,000
Omaha	15,000	13,500	16,000
St. Louis	43,500	25,790	43,500
Region VIII:			
Denver	$29,000	$18,320	$29,000
Region IX:			
Honolulu	15,000	7,500	15,000
Long Beach	16,000	7,500	16,000
Los Angeles	82,870	82,870	164,000
Oakland	28,000	15,000	28,000
Phoenix	23,000	11,740	25,000
San Diego	30,000	14,360	30,000
San Francisco	25,000	11,970	25,000
San Jose	8,160	7,500	9,000
Region X:			
Portland	13,000	25,000	25,000
Seattle	32,100	19,060	32,100
50 largest total	1,608,940	979,487	2,155,552
Balance of cities	1,141,060	520,513	1,527,879
Total	2,750,000	1,500,000	3,683,431

TESTIMONY OF THE HONORABLE ROMAN S. GRIBBS, MAYOR OF THE CITY OF DETROIT AND PRESIDENT OF THE NATIONAL LEAGUE OF CITIES

Thank you for inviting the Mayors of America's major cities to be heard on the proposed Federal Budget for Fiscal 1973–74.

In expressing my profound concern over the direction of his budget, I speak not only for my city, Detroit . . . where the effect may well be paralytic . . . but, as President of the National League of Cities, I speak for all urban centers in this country, struggling against poverty, disease, poor housing, unemployment and crime.

The President's budget for 1974, the financial vehicle for national priorities, would decimate many of the programs designed to contain and combat the social evils that plague our cities. These budget cuts will most drastically affect minority groups, the poor, the aged, and the ill. These cuts will give impetus to a new cycle of decay in American cities. If the cities decay, it will be a betrayal of this country's expressed commitment to its people. And this Nation cannot long endure without vital cities.

The President made a major point in his inaugural address, his State of the Union Address, and again in his budget message, of his philosophy that, both the power to decide issues and the responsibility for those decisions must be returned to the American people . . . to the local level. I share this view. However, I vigorously dissent with his statement that local governments are not maintaining their fair share of the burden of government.

In his Inaugural address, the President said:

"Let us encourage the individuals at home to do more for themselves, to decide more for themselves. Let us locate responsibility in more places, and let us measure what we will do for others by what they will do for themselves."

I submit that the central cities of this country are doing just that . . . they are doing much for themselves.

What we have done for ourselves in Detroit is to impose a utility users tax and a 2% city income tax, at maximum statutory levels, on the already heavy burdens of federal and state taxes—an income tax which is paid mainly by the city resident with only token payment by the commuter. Thus those people who can least afford it are shouldering the major burden of support for a local government which is hard pressed to keep its head above the flood of poverty, unemployment and other ills endemic to the big city.

The President in his Inaugural speech also says:

"General Revenue Sharing and Special Revenue sharing programs can help considerably in Achieving this goal (of local decisionmaking and local responsibility.) They provide for State and communities with financial assistance—in a way that allows them the freedom and the responsibility necessary to use those funds most effectively."

Let me give you my reaction to his proposals for these two types of revenue sharing separately.

The whole intent and philosophy behind the passage of General Revenue Sharing was a recognition of the stark fact that the basic needs of American cities had outstripped their financial resources, General Revenue Sharing was the Congress' and the President's answer to the cities' plea for outside *additional* help.

If the President terminates, and phases out many of the categorical federal programs which provide the cities with assistance in the vital areas of health and community Redevelopment, and says it is to be replaced with General Revenue Sharing, what will be the City's gain? All the *extra*, let me repeat, *extra*, financial support we expected from General Revenue Sharing, will be wiped out if these funds must be substituted for lost programs. The use of this substitution logic is completely contrary to the expressed intent of General Revenue Sharing . . . and a personal commitment the President made to us.

Special Revenue Sharing *should* be a good idea. I welcome the responsibility of making my own decisions about where the funds should go in Detroit. I welcome being held responsible for those decisions. I agree with President Nixon that:

"Federal programs to assist state and local governments have become a confusing maze, understood only by members of a new, highly-specialized occupation—the grantsmen."

However, I cannot condone the dual purpose here—Special Revenue Sharing is being promised, but only after phasing down and in some cases phasing out vital programs which have taken years to build to their present level of service. The President is not only condemning our cities to flounder next year, but his budget will adversely affect them in the years beyond as program momentum is lost.

In justifying an impoundment of urban renewal program funds, the President has said:

"Federally-assisted housing programs have been plagued with problems, and their intended beneficiaries have thus been shortchanged."

I am not so naive as to suggest that nothing can be done to improve our housing and urban development programs.

These programs do exist. They affect human lives. They do alleviate real human miseries. Can I tell Detroiters to wait three years for safe, warm homes, while the President irons out his program flaws?

In other areas, especially those of hospital construction, and unemployment, the President's generalizations ignore urgent needs in Detroit and other urban centers. He has condemned the Hill-Burton construction act as having outlived its usefulness, claiming that a shortage of hospital beds no longer exists. I invite the President to tour our Detroit General Hospital, with its crowded, ill-equipped, outmoded facilities. Without Federal aid, the City will not be able to build a new Detroit General Hospital, and consequently will be unable to provide its residents with adequate health care.

Speaking to the issue of unemployment, the President has said:

"During the past two years, the Federal budget has provided the fiscal stimulus that moved the economy toward full employment . . . Now, however, instead of operating as a stimulus, the budget must guard against inflation."

With this thought, he has apparently doomed the Emergency Employment Act Program.

While it is true that unemployment nationally has fallen from 6.4% to 5.5% in the past year, Detroit's employment picture is not so optimistic. Last year, Detroit's unemployment averaged 10.67%. This January, the figure is still high—8.2% in terms of people, this means that 54,000 Detroiters are still unemployed. If the public employment program is discontinued, over 2,500 city and board of education workers would be back among the unemployed. In addition, the 18,000 young people employed last summer under the neighborhood youth corps programs could not be hired. The O.E.O. cuts would mean a staff reduction of 600 in Detroit's Community Action Programs—not to mention the much needed services they provide the community.

Assistant Labor Secretary Michale H. Moshow, has suggested using General Revenue Sharing to retain those programs. Let me again emphasize that General Revenue Sharing was allocated to the cities of America in recognition of a need for *Extra* revenue, not re replace funding for *on-going* Federal programs.

The 20% Federal cut in other manpower programs would also cut the staff of Detroit's Office of Manpower Planning which is funded on a *CAMPS* grant. This reduction would impede our capability to respond to the severe unemployment problem which will arise, especially if the public employment program is allowed to end, and H.E.W. and H.U.D. programs are phased out.

In the category of Manpower Programs we estimate that if the Public Employment Program is phased out, and other manpower Programs are reduced as the President has proposed, Detroit will lose $7 million next year.

The President has ordered the Environmental Protection Agency to allocate only $5 billion out of an available $11 billion for

fiscal years 1973 and 1974 for the construction of municipal water pollution control facilities. Over the next 16 months, this will mean the loss of $123 million to Detroit in Federal support, an action which will cripple Detroit's plan to meet the Federal Environmental Protection Agency's Pollution Control Standards.

Detroit's Lead Poisoning Control Program has been highly successful in combating a serious problem in our City with its large number of older homes. The President has proposed constricting and eventually phasing out this program.

The PRESCAD Program in Wayne County has already been limited by funds to reach only 25,000 of the 80,000 young people in our area who should receive their services. Both PRESCAD and the Detroit Maternal Health and Infant Care Programs are being cut by 40% to a total 1974 funding level in Detroit of $1.5 million as compared to $2.5 million in 1973.

PRESCAD provided the only significant program of dental care for indigents and the greatest part of our medical care programs for children and adolescents. This cut will be felt deeply.

Public housing operation subsidies have been frozen. As you are aware, subsidies for the operation of existing public housing have been limited to a 3% annual increase, based on 1971–72 spending levels. Expenditures, primarily in the area of salaries and employee benefits, have grown at a rate higher than 3%. Through careful use of operating reserves built up in past years, the Detroit Housing Commission may be able to maintain its current level of services for a limited period. A City subsidy of $1.5–$2 million or an equivalent cut in services will then be required. I am informed that several cities have already begun suits against H.U.D. over such unrealistic funding limitations.

In housing, Urban Renewal and Neighborhood Development Programs, the President has set aside no new money, and has killed all new programs. If these reductions are allowed to take place, Detroit's Community Development and Urban Renewal efforts will be set back by at least two years—given the lead time necessary for such programs to show results.

The President intends to dismantle O.E.O., killing the Community Action Program entirely. This would translate into a loss of $6,100,000 for Detroit. It could deal a tragic blow to what little faith the minorities and disadvantaged had in the system and its concern for them.

Our Model Cities Programs, just now gaining momentum and chalking up results, will be cut 45%, or 13 million dollars.

Reductions in other sensitive human resources programs including Parent and Child, Concentrated Employment Program and the Neighborhood Youth Corps Summer Program will mean a $5,490,000 loss to us in Detroit.

I believe the President is making a grave mistake in his wholesale cut in human resources and Community development activities. Special Revenue Sharing must be used to conceal total revenue cuts. The money he saves in 1974 will exact a tremendous cost in human misery. I predict there will not really be any savings at all because these problems will not cure themselves. As they are left uncured, they will increase and treatment of them will become even more expensive in the years ahead.

We in Detroit have worked long and hard to preserve and enhance our cities' human and economic resources. The proposed budget cuts would be a giant step backward for Detroit and America's cities. We urge Congress to take positive action to continue and strengthen the real federalism—by providing the funds and the programs so urgently needed by our urban centers.

TESTIMONY OF NORMAN Y. MINETA, MAYOR OF SAN JOSE, CALIF., AND CHAIRMAN OF THE THE U.S. CONFERENCE OF MAYORS COMMUNITY DEVELOPMENT COMMITTEE

Senator Muskie, Members of the Committee, I am Norman Mineta, Mayor of the City of San Jose, California and Chairman of the U.S. Conference of Mayors Community Development Committee.

In my testimony today I would like to address three items which are in President's budget, or should I say in some instances are noticeably not in the budget, which are of vital concern to the cities.

They are (1) the issue of the Administration's so-called Community Development Special Revenue Sharing which is proposed by the Administration to commence in Fiscal 1975; (2) the budget or lack of one to fund community development activities during the FY '74 transition period, during which time the Administration indicates that cities are supposed to prepare for the advent of the so-called Special Revenue Sharing measure, and; (3) the Administration's unfortunate freeze of the federally assisted housing programs for which the budget seems to suggest no concrete remedies.

I. THE ISSUE OF DO CITIES SUPPORT COMMUNITY DEVELOPMENT SPECIAL REVENUE SHARING/COMMUNITY DEVELOPMENT GRANT CONSOLIDATION

Let me begin by clarifying one very important semantic issue. It is that the so-called Special Revenue Sharing measure which was proposed by the Administration two years ago and is once again called for in the President's current budget is not revenue sharing in the sense that we have been using that term in connection with the general revenue sharing measure which passed Congress last year.

Instead it is a concept of grant consolidation which would provide for the merging of several existing categorical grants-in-aid into a single block grant to be allocated to the units of local general purpose government on a formula basis. An application would be required and funds would be used by those governments for the defined, consolidated and eligible activities enumerated in the Act, in accordance with local priorities.

As to whether we favor the Block Grant method of allocating funds to cities for Community Development purposes, let me point out that the U.S. Conference of Mayors has repeatedly acknowledged the difficulties that the continual creation of separate, narrow categorical programs has posed for cities.

It was the stated policy of the USCM as early as 1967 to seek grant consolidation legislation. In terms of the specifics of the Community Development Block Grant legislation which almost passed Congress last session, I have to point out that over two years ago—in November, 1970, to be exact—our USCM legislative staff was already assisting the House and Senate Housing Committees in the drafting of their own community development block grant bill. That effort was joined by the Administration when the President's bill was sent to Congress in March of 1971.

As to the President's specific proposal, we of course, have not seen what the Administration will propose in this year's version of their bill. But the specifics of the yet to be introduced Administration measure are not the issue. For we are confident that through the fine cooperation we have had in the past with the substantive committees of both Houses, we will be able to fashion Community Development Block Grant legislation which will be responsive to cities' needs.

Returning to the point then of our position as to the President's so-called Community Development Special Revenue Sharing proposal, our position is that we are not only grateful for the support we have so far received from the Congress, but we are delighted that the Administration has once again chosen to support the Mayors' proposition that Community Development grant consolidation should take place. We did not support the President's original bill in many of its details when it was first put forth two years ago. I would not be surprised to find that we will not support all of the key details of his resubmitted bill this year. But what is important is the President's continued support for our concept that there be Grant Consolidation. Within the context of the Congressional process, we are confident that we can work out the details of a satisfactory piece of legislation.

Senator Muskie, I would like to add at this point that I find myself in basic agreement with most of the points you raised in your address before the Intergovernmental Relations Committee of the National Legislative Conference and your remarks in introducing S. 834 earlier this month.

As you know San Jose is participating in and is attempting to positively influence the development of such efforts as planned variations, the use of Chief Executive Review and Comment, and annual arrangements.

We also share your concerns over the difficulties involved in focusing General Revenue Sharing funds on relevant local problems. In fact, a member of my staff has written management guidelines dealing with the issues you raise as they relate to Annual Arrangements and General Revenue Sharing, which have been published by ICMA for use by the City Managers throughout the nation, which I will submit for your review.

But the point I agree with you most heartily on is when you said, "when faced with the legitimate call for a more efficient Federal structure, and for greater attention to the capacities of local government to judge and meet local needs . . . my own response . . . is to reform the grant process, not junk it."

The Community Development Block Grant, in our judgment, would be such a reform.

I believe it would be useful to remind the committee of the salient elements we feel should be in such legislation. They are:

1. That the allocation and distribution of funds be made directly to units of general purpose local governments;

2. That the consolidated activities include at least HUD's major Community Development programs of urban renewal, neighborhood facilities, open space land, basic water and sewer facilities, and model cities;

3. That the authorization and appropriation for the Consolidated Community Development Block Grant Program be adequate to cover the pressing needs cities have to carry out the activities being consolidated. I should point out that the President's budget calls for a $2.3 billion appropriation commencing in FY 1975. That figure is close to the recent annual program levels for the programs the President's budget proposed to consolidate. May I suggest that we in no way agree that the current appropriation levels for the present programs of urban renewal, open space land, etc., are adequate to meet America's domestic needs.

4. That adequate provision be provided to insure a minimum funding guarantee ("hold harmless") to those cities currently involved in federally funded community development activities so as to enable such cities to maintain their existing capacity and momentum if they wish to do so;

5. That the definitions in the list of eligible activities describe a broad, flexible physical development instrument which can and should include necessary supportive social services and on-going executive planning and management activities;

6. That there be a requirement that each

community, prior to funding, file an application setting forth evidence of a locally determined comprehensive community development plan which demonstrates that the community has addressed its slums and blight problems, its low and moderate income housing problems, and its needs to improve the delivery of social services in conjunction with its basic community development program;

7. That the federal grant should equal 100% of the project cost and that there be no local share requirement;

8. And that the measure provide a programmatic link between the allocation of community development block grant funds and the distribution of federally assisted housing resources.

II. THE ISSUE OF TRANSITION

We have said that we support not only the concept of the Community Development Block Grant, but that it is *our* concept. Further, with continuing Congressional support the prognosis for a successful legislative effort which would implement this concept of providing aid to local governments seems to be favorable. Therefore, assuming the development and ultimate passage of such a measure, we must focus our attention on the period of transition required to move from the present use of the collection of categorical grants affecting Community Development to the simpler block grant.

The President's budget proposes that the Block Grant begin on July 1, 1974, some 16 months from now. As the Committee of course knows, this legislation has yet to be introduced into the 93rd Congress let alone enacted. Given that fact together with the manner in which the national funding mechanism for the block grant will function in that it will require local communities to develop and submit an acceptable plan for the utilization of these funds prior to the receipt of funds, the contemplation of a 16 month transition period may constitute a reasonable and realistic schedule.

Keep in mind that what is involved here is a shifting in the way we have been addressing our community development problems for the past several years. Under the present categorical grant in aid system we address our community development needs in part by filing hosts of applications for Federal assistance, each drawn up within the narrow terms of the specific categorical programs guidelines and drawn against the vicissitudes of specific congressional appropriations and administrative allocations. In each instance the federally assisted community development action involved is dependent upon the separate favorable approval of each specific application. Under such a system the potential for fragmentation or dilution in impact of our local community development effort through the favorable funding of some programs and not others is very high. This provides overwhelming obstacles to our ability to deal with our community's development requirements in a comprehensive fashion.

While the block grant will eliminate the potential of piecemeal funding of an overall community development effort, it will bring with it a whole new set of "problems" that locally we will have to face.

Principal among these is that each local government will now have to carry out some rather sophisticated priority planning as to which of its host of community problems will receive priority attention. The block grant, irrespective of the authorization/appropriation level, will not provide adequate funding to cure our community development problems in the first year—or for many years. As an example, under the community development block grant legislation which passed the Senate last year, assuming a $2.3 billion national appropriation San Jose would have received an annualized block grant of some $6,385,000. But in San Jose we have for some time identified some $656,000,000 in needed community improvement for which these funds could be addressed.

The point is that locally it will be incumbent upon us to rationalize a total program of community development in order to effectively utilize the sparse block grant funds. It will probably mean shifts in personnel, reassignment of duties, and a host of local actions. We welcome the responsibility to be held accountable for our community's development priorities; and we will welcome the removal of the narrow guidelines which have sometimes hamstrung us when we wanted to move boldly, and often protected us when the people in our communities asked us why we were proceeding in a particular fashion. But the point is also that the block agent is not a panacea and for some of us the local transition actions which will be required are going to be tough.

Does the President and his Administration seek to help us with the task of transition which lies before us? Have they been trying to help stabilize as many of the community development variables as possible? Absolutely not! In a most insensitive and perhaps even inhuman fashion they have compounded our task of transition by callously freezing, curtailing, abolishing, and repudiating many of the essential elements of our community development effort.

On January 5, 1973 they brought to a halt—froze—the open space, water and sewer program, public facility loan, and all federally assisted housing programs.

On February 1, 1973 by administrative fiat, without so much as a phone call to a single mayor, let alone Congress, they administered a disastrous halfing of the Model Cities program by reducing the national program level for that program by some 45%.

The President's budget essentially calls for no new monies for any of HUD's Community Development programs in FY 1974, with the minor exception of a token amount needed in order to close out a number of urban renewal projects.

Further, the budget in terms of the language itself, goes on to repudiate the merits and usefulness of some of our most effective community development programs. . . . the very programs which we and *they* are proposing to consolidate into the block grant.

In short, rather than trying to help the nation's cities in making the transition from the categorical grant system to the block grant, they have compounded our effort by cutting the new program commitments for the programs I have just mentioned from $2.9 billion to a token $500 million, and questioning the wisdom of some of the principal components of the block grant itself.

[In thousands]

	Fiscal year 1973 new program commitment level prior to the freeze	Administration proposed fiscal year 1974 new program commitment level
Community development categorical programs:		
Urban renewal	1,000	137
Model cities	620	0
Rehabilitation loans	70	0
Neighborhood facilities	40	0
Water and sewer	200	0
Public facility loans	40	0
Open space	100	0
Subtotal	2,070	137
Federally assisted housing:		
Public housing	473	350
235	150	0
236	170	0
Rent supplements	48	0
Subtotal	841	350
Grand total	2,911	487

The Administration has apparently made two assumptions, each equally invalid. The first is that we mayors want the Block Grant so desperately that we will endure anything to get it. I can tell you, Senator, that under these circumstances imposed by the administration's concept of transition, I would rather fight than switch.

The second equally invalid assumption implicit in the impoundments, freezes, and the President's budget is that the nation can survive a year and one-half of no programs. To that let me suggest a truth that every mayor knows first hand—and that is that America's problems cannot be postponed any more than they can be ignored.

Our position is simple. There must be provision for the full funding of the categorical grant/community development program during the transition period . . . . right up to the commencement of the Block Grant.

We, therefore, urge this committee to make its feeling in that regard known to the members of the Appropriations Committee.

III. THE ISSUE OF THE FEDERALLY ASSISTED HOUSING PROGRAMS

Let's turn now to our position on the federally assisted housing programs, which is one of utter amazement and disbelief.

1. As you know the President, in a unilateral action, without any prior consultation with the Congress, terminated the assisted housing programs on January 5, 1973. The Administration's budget released several weeks later reaffirmed the January 5 moratorium, and gave the details of the size of the impoundments resulting from the freeze. The budget shows *no* funds to be available during the next 16 months for new commitments, although the Administration has indicated that some low level of new commitments would be permitted "to meet statutory or other specific program commitments."

I am not a constitutional lawyer but let me say that if the unilateral action terminating these housing programs was not unconstitutional, it most certainly was unethical and immoral. By such action the Administration is reneging on our nation's commitment to try and provide a decent home in a suitable living environment for every American family.

2. In terms of understanding the devastating impact of this action, you must look beyond the mere budgetary impact of the federal dollars that now will not be spent and look at local impact in terms of the housing efforts which now will not happen.

Because of the housing moratorium, the level of new commitments for HUD assisted housing programs in FY 1974 will drop by 93% from the FY 1972 level.

[FY 1972—426,924; FY 1974 anticipated level is 29,800]

The level of new commitments in FY 1973 will drop by 62% from their originally anticipated level.

[500,800 units in the original FY 1973 budget; 195,000 units in the adjusted budget.]

Because there were housing units already committed to contract or approved before the January 5, 1973 freeze, there will be a continuing level of new construction starts in FY 1974. While this FY 1974 level only represents a slight reduction in construction starts from the anticipated FY 1973 level, it represents a 27% reduction from the level of new housing starts in FY 1972. Construction will drop off drastically in FY 1975 because of no new commitments in FY 1974.

[FY 1974—232,400 projected; FY 1973—259,100 originally anticipated; FY 1972—322,025 actual new starts.]

The moratorium on new commitments will leave unused substantial amounts of existing contract authorization for the rent supplement, Section 235 and 236 programs. The total for these three programs, $531.1 million, could produce some 485,500 new housing units for low and moderate income families.

All of this tends to make a mockery of the ten year national housing goals established in 1968, and will by the end of FY 1974 place our national housing effort some 45% behind schedule.

The President's decision not to spend these housing program funds and not use the contract authority available under the Section 235 and 236 programs will have a profoundly adverse economic impact locally. Not making good on the anticipated new housing starts which would have been spread over FY '73, '74, and '75 will result in a loss locally of $7.5 billion in new housing construction activity, with a total economic impact including related facilities and services of $19.3 billion. We estimate the employment loss at 2.2 million man-years.

3. I have previously indicated our commitment to the concept of comprehensive community development and our support for legislation to provide a block grant in this regard. The President's pronouncement would also indicate his concurrence with such an objective. What the President's action relative to the housing programs ignores is the fact that a significant part of the requirement for the effective use of the Community Development Block Grant will be predicated upon the local community's ability to address their housing needs. In most major communities this will require the provision of low and moderate income housing. I am not referring solely to the absolute necessity for using such housing programs as relocation resources in order to facilitate efforts such as urban renewal. Rather I am suggesting that the provision of housing for persons of all income levels including low and moderate income has become an integral part of the business of providing for the quality of urban life; a factor in industrial location; and part of the whole issue of comprehensive community development. We simply cannot meet our contemporary urban needs without the subsidized housing programs.

4. We acknowledge that some existing housing programs may not have functioned as well as they should have. In some areas we ourselves have pointed out the difficulties with them. One of the key issues for example which causes us problems has been the very minimum amount of impact we mayors have been able to exercise over the utilization of these programs, which at present depend primarily on the relationship between the developers and HUD.

Notwithstanding these problems, it would seem that the appropriate way for a civilized nation to conduct responsible government would be to not truncate these vital, but perhaps imperfect, existing programs until viable alternatives had been created.

We are prepared to support and participate actively in the development of legislation which would modify as necessary the federally assisted housing programs so that they might be of greater benefit to the people they were designed to serve . . . namely the people of our cities.

IV. THE ISSUE OF THE IMPACT OF ALL THIS ON OUR NATIONAL URBAN POLICY

I would like to close my testimony with a brief caveat regarding the long term consequences of what has been proposed by the administration and what we are proposing as it relates to our National Urban Policy.

I have been focusing on our immediate concerns over the budget slashes in the programs for housing, model cities, water & sewer, parks and the like. These matters get our priority attention because they affect the immediate issue of our survival. But as mayors, we have become increasingly aware of the enormous consequences that other federal policies are having in undermining our efforts to restore and revitalize urban areas.

I will not presume further on the committee's time to discuss this point other than to say that we now realize that there is a wide but identifiable array of federal policies beyond those we have been discussing, which taken together constitute an inadvertent national urban policy, a policy which in many instances is counterproductive to our community development efforts. Elements of this inadvertent policy include our national tax policy which both encourages depreciation of old center city structures and, aided by federal housing policy, encourages home ownership in the suburbs. We now recognize that the impact of national monetary policy, patterns of military procurement, highway policy, welfare policy, etc., when taken together have had effects far more profound in terms of the contemporary design of urban America than have our specific urban programs. Therefore, as we attempt to deal with the budget crisis we have at hand, we will also be working to increase the public awareness of the nature of our inadvertent national urban policy, and to focus national attention on the need for Congress and the Executive to take remedial action to alter the harmful consequences of these existing policies.

TESTIMONY OF MAYOR HENRY W. MAIER, MAYOR OF MILWAUKEE

Senator Muskie, and members of the committee.

The budget document before you contains a series of broken promises to the Mayors of America. Those who will suffer most from those broken promises will be the poor, the elderly, the untrained, the unemployed, the sick, the school drop-outs and other victims of poverty who are concentrated in our cities. Those who will pay for them will be the local property taxpayers.

The last time a group of mayors lined up jointly at a congressional witness table, we were testifying on behalf of the general revenue-sharing bill enacted by Congress in the last session.

The mayors were united behind that witness table, and behind the bill, because we had been assured, not in general terms, but explicitly, that general revenue-sharing was not to be a substitute for on-going Federal categorical programs. That explicit assurance was given by the President himself at a meeting held at the White House with the governors, mayors and county officials.

Consistent with this understanding, the President in his budget message cites revenue-sharing as something that "will help state and local governments avoid higher taxes."

But when we read the budget itself, we find that the rhetoric of the message has not been reconciled with the reality of the reductions.

Or, to put it more bluntly, the President is breaking the promise he made to us at the White House.

Explaining the termination of grants for local community action programs, the budget states:

"If communities desire to continue providing financial support to local community action agencies, general revenue-sharing funds could be used."

In phasing out open space land programs, the budget reads:

"Provision of local open space is a low priority use of Federal resources. Local communities may continue to provide public open space through the use of Federal shared revenues."

In cutting off grants for public libraries, the budget declares:

"With the increasing availability of general revenue funds, states and localities will be able to continue programs formerly supported by Federal categorical assistance programs."

Gentlemen, when you add up the effects of the Presidential impoundments of funds already appropriated by Congress, the freezing of HUD programs announced by outgoing Secretary Romney, and the deep slashes in the Presidential budget before you, we find the cities to be worse off financially than before general revenue-sharing was enacted. I shall demonstrate that specifically when I later discuss how the cutbacks will affect my own city's programs.

On top of this, we find the President's budget saying to the people whose programs were not administered by the city government, such as the school board, county government, and social development commission in the case of my city—if you want these programs continued, go to city hall and have them financed out of general revenue-sharing funds.

Milwaukee received about $11 million in general revenue-sharing funds the first year. The social programs administered by agencies other than the city are slashed by more than $20 million by the President.

The attempt to substitute general revenue-sharing funds for categorical aid programs represents a gigantic double-cross of the rural poor and city poor of America. General revenue-sharing funds were distributed across the board to every municipality in America—the gold coasts of suburbia as well as the bankrupt inner cities and rural townships. Through general revenue-sharing, the rich suburbs get richer, through categorical cuts, the inner cities and rural townships get poorer.

The mayors who campaigned across the country for revenue-sharing are the victims of a cruel hoax if these cuts are allowed to stand.

But this is not the only hoax. Before the election, President Nixon had promised relief for local property taxpayers by having the Federal Government take over some of the costs of education now borne by the local property tax. That promise has now been forgotten.

Now another hoax is being perpetrated. President Nixon is creating the impression—and a lot of our citizens, particularly businessmen, are buying it—that all he is proposing is a ceiling on national expenditures to avoid inflation and prevent a tax increase; and that within that ceiling the money can be spent on domestic priorities if Congress so chooses. But, as you gentlemen know, President Nixon declared at a press conference following submission of the budget that if Congress were to restore these cuts in city programs, he would veto them; and if Congress passed them over his veto, he would impound the funds.

The final and inevitable result of these reductions in city programs through the freezing of funds and the deep slashes in the budget, will be to transfer the burden onto the back of the already over-burdened local property taxpayer.

The President says the budget must be cut to prevent inflation and avoid a tax increase. We do not quarrel with him on that score. We do quarrel with him on where he thinks the cuts should be made.

What should be the number one priority in domestic needs—the problems of urban America—becomes the lowest priority in the President's budget.

Programs for cities were slashed from $4.2 billion to $2.7 billion. Programs affecting the poor, the elderly, the unemployed, the untrained, the sick and the young were slashed by $7 billion.

At the same time, the total budget was being increased by $11 billion including an increase of $4.7 billion for the second biggest Pentagon budget in history even after the withdrawal from Vietnam.

Let me tell you how these cuts will affect one city—the City of Milwaukee. The fig-

ures for New York, or Detroit or Chicago would be much more dramatic and overwhelming, but if you look at the Milwaukee figures, you get some measure of the magnitude of the impact in our cities generally.

The city of Milwaukee itself will lose $75 million next year. That's the equivalent of $425 for every family in the city.

The social programs administered by other agencies were slashed by another $20 million.

That's a total of $95 million which will be taken out of our local economy next year. Can you imagine the outcry if the President had closed 20 defense plants in Milwaukee which were generating $95 million in our economy?

In health services, we lose more than $700,000.

In anti-pollution and other funds to improve the environment, we will lose more than $20 million.

In funds for job training, we would lose almost $5 million.

In funds for economic development, we would lose more than $400,000.

For housing and neighborhood renewal, we lose almost $49 million. Part of that is represented by the loss of 840 units of low income housing which our housing authority was ready to put under contract this year. As you know, Secretary Romney placed an 18-month moratorium on all subsidized housing. As a result, we will not be able to build this or any other low income housing for the next 18 months, and we have no indication from the administration as to what we can do about low and moderate income housing after the 18-month period of freeze. During that 18 months, we should be building, not only these 840 units which have been snatched away from us, but another 6,000 units of low and moderate income housing lost to freeway construction, to take care of people uprooted by other public actions and to reduce the heavy backlog at our public housing authority.

How much of these losses will we recover if the special revenue-sharing block grants are passed? Next year, not a penny, because as you gentlemen know, but which unfortunately the country as a whole does not understand, special revenue-sharing legislation is not due to take effect until July, 1974.

None of the cuts I have outlined would be affected by the education, manpower or law enforcement special revenue-sharing measures. The community development special revenue-sharing bill would provide us only $10.5 million out of the $49 million lost, because as you know, the community development bill does not provide any funds for housing assistance programs which former Secretary Romney put under freeze.

But more than money, the cutting off of these funds affect the people of my city—the kinds of neighborhoods they live in, the cleanliness of their rivers and our lakes, housing for our elderly, health, jobs, economic vitality, indeed the very quality of our life.

General revenue-sharing was not intended to replace categorical aids, special revenue-sharing will not replace the loss the cities will suffer, and the presidential freezing of funds makes a mockery of Congress and an unwanted stepchild out of our cities.

By all rights, our cities deserve to be our nation's number one priority. Our cities deserve more, not less, if this Nation is to grow in greatness—if we are to preserve the domestic tranquility and improve our quality of life.

TESTIMONY OF MAYOR JOHN V. LINDSAY

The Administration has taken the unprecedented step of unilaterally imposing levels of federal expenditures through impoundment and other techniques, enforcing on the Nation's cities and suburbs its own arbitrary choices of programs to be funded or cut.

We have seen this policy at work in the steady, deepening failure, beyond prudence, beyond economy and efficiency, to release funds appropriated by Congress to meet even minimal national priorities.

We have thankfully passed through a tragic and dreary decade of war abroad and want at home. Now many Americans in city and suburb, middle class and poor alike, legitimately expect a new thrust toward domestic solutions. But, instead, we see shrinkage, retraction, and abandonment of vital programs: a freeze on public employment programs; a moratorium on housing; a recision of veterans benefits; a cutback on legal services; a slashing of day-care centers, and more. Finally, we see the ultimate conclusion: a take-it-or-leave-it budget that may be enforced, whatever Congress decides.

Let me tell you what this perverse policy means to my City in real programs and hard numbers:

HOUSING

In the past three years, New York City has broken all records for tax-assisted housing starts—averaging 25,000 units a year. This year we are ready to start another 30,000 units of low and moderate income housing. The federal moratorium on housing funds has stopped that massive housing construction program—and it has destroyed the financing for 6,000 units, now in construction.

WATER POLLUTION CONTROL

New York City is moving forward with the Nation's largest water pollution control program to clean our waterways well ahead of every other city in the Nation. Our comprehensive secondary treatment program costing $2 billion is now hindered only by a failure of federal financing—by the decision of the President to allot $664 million *less* to New York State and its localities than Congress required in the Water Pollution Control Act Amendments of 1972. Instead of 55 percent federal funding, we are only receiving 5 percent. Although we are proceeding, our City will be penalized for its rapid management and massive commitment and my City has felt compelled to institute legal action in the Federal Courts to order compliance with the 1972 statute.

MANPOWER

Under the Emergency Employment Act, New York City has provided 3,300 jobs for those in need, many of whom are Viet Nam veterans. The 1974 Federal Budget proposes to eliminate that vital program entirely. At the same time, the Department of Labor has just frozen enrollment in the City's other manpower programs—the Job Corps, New Careers, On-the-Job Training, and the Concentrated Employment Program. And, make no mistake, freeze means *kill* when the City is receiving approval for contracts totalling only $1.5 million out of total requests of $9.4 million. There is no worse breach of faith than to deny jobs and training to those eager to work.

HIGHER EDUCATION

Our free-tuition City University System—the only one in the Nation—which pioneered open enrollment for all high school graduates, to the greatest benefit of the sons and daughters of our blue collar working families, has anticipated $4 million in aid for veterans under Section 420 of the Higher Education Act—except that now there's a request for recision of the appropriation that would have provided this vitally needed assistance.

And there are a host of other program reductions which will affect the daily lives of millions of New Yorkers. We have been told that these cuts are necessary for responsible economic policy.

But is it responsible to cut child nutrition programs for ghetto youth, compensatory education for the disadvantaged, Model Cities and Community Action for those who want to rebuild their neighborhoods?

We are proud of what we have accomplished in New York City with available Federal funds:

Unprecedented levels of new housing production;

Dynamic Community Action and Model Cities self-help programs that have revitalized forgotten areas;

The Nation's largest and fastest growing day-care program for children of working mothers who want to stay off welfare; and

A summer employment, education and recreation program that provides an outlet for tens of thousands of otherwise idle teenagers.

That's what we have done with these funds, and we are prepared to demonstrate in my City—as in countless other cities across the Nation—that our management and delivery systems are as good as those of any Federal program—from Defense to Agriculture to Space.

Any objective standard of performance under Federal programs will find that urban programs stand up well in comparison to the other contracts and direct operations of the Federal Government that will continue to receive funds, while local budgets are cut back. And unlike these expenditures, urban programs directly help people in cities and towns across the Nation.

In sum, the impact of these cuts is intolerable. This is not the way to fight inflation or devaluation, the rising cost of living or the declining quality of life. No one can claim to be concerned about fighting crime when funds are cut for jobs and schools in our cities.

In fact, there are in our gold-plated, bloated military budget alone more than enough dollars to fund our most vital domestic programs without the slightest danger to our national security.

The future of these programs should not be a question of partisanship or party loyalty. We Mayors who have joined together in this fight are Republican, Democratic, and non-partisan politicians who have learned the hard way that urban solutions begin where partisanship stops. In New York City, we have already formed an Ad Hoc Coalition of 60 business, labor and civic groups to fight the housing freeze—and they are appealing to our entire Congressional Delegation and the Governor and State leadership to support this bi-partisan effort.

Understand us: we strongly assert the need for rational limits on national spending. But we also assert the mutual responsibility of the President and the Congress for setting those limits. Now, Congress must act to reclaim its responsibility.

We urge the Congress, therefore, to develop the machinery to identify the sum of national needs and compare them with the sum of available resources—and thereby set our Nation's priorities.

We urge you to use that machinery to determine what is urgent and what can wait, what is crucial and what is frivolous.

We urge you to enforce those determinations, to change the shape of proposed federal spending, for we are confident you will find the highest priorities are here in the neighborhoods of our cities and suburbs.

STATEMENT OF MAYOR STANLEY CMICH, CANTON, OHIO

Senate Subcommittee on Intergovernmental Relations of the Committee on Government Operations, Jan. 21, 1971.

Mr. Chairman and members of the Subcommittee. I am Stanley Cmich, Mayor of Canton, Ohio. One of the most important issues considered by the Conference of Mayors' Human Resources Committee, of

which I am Co-Chairman, is the manpower program.

It is on this subject that both my colleague Mayor Sheehan and I wish to address today.

The Administration's FY 74 Budget proposes restructuring federal support for job creation and manpower training services. The impact of this restructuring is characterized by the proposed transfer of authority to state and local governments over manpower programs.

In simplest terms, the Administration's Budget proposes to eliminate more than 50 per cent of the funds now available for job creation and manpower training. For example . . . . it proposes to phase down over a period of time the Public Employment Program and it proposes to reduce federal funds for training services.

We are submitting for the record a detailed statement on the proposed Budget for manpower as interpreted based on present known plans. But, for the moment, I would like to express our concern regarding summer youth programs.

Any specific reference to summer programs such as Neighborhood Youth Corps is absent from the language. Many cities have relied heavily on this and have had good success . . . Canton included. In our city, 20 Neighborhood Youth Corps participants are now in permanent city positions.

The Budget calls on cities to decide between taking from other programs which might be reduced in funding—in the final analysis—or possibly use PEP funds if some are made available for summer employment as was the case in some instances last summer.

May I say a bit more on the matter of summer jobs. Last summer's appropriation provided 740,000 nine-week jobs for young people, mostly disadvantaged youth; recreational and cultural programs which served over two million young people. Transportation was available to another million young people to take advantage of both jobs and recreational activities.

Neighborhood Youth Corps has been the single largest youth employment program available in the summer. The need is even greater now. We are submitting a survey documenting the need for slightly more than a million jobs this summer. This survey represents effective needs and is on the conservative side.

Despite the record Neighborhood Youth Corps effort, many young people will still not find work, many are not old enough to work . . . thus a variety of additional services must be provided.

In partnership with the cities, the federal government has provided these services through Recreation Support and Summer Youth Transportation. They have been successful and the increased need for continuing this same type of approach to our needs has been documented.

I would be remiss if I did not extend a word of appreciation to Senator Javits for his annual leadership in supporting the program.

TESTIMONY OF HON. KENNETH A. GIBSON, MAYOR OF NEWARK, N.J.

Gentlemen: While it is always a pleasure to meet with you, I regret that our purpose here today binds us to matters which if not resolved will have a most regressive effect on the lives of Americans.

I will submit a more comprehensive narrative with supporting facts and figures for the record, along with my reply to the questionnaire forwarded by your chairman, Senator Muskie, within two weeks. I will be available for whatever questions you may ask after I complete my statement.

We are here in response to your expressed concern about the effects of the new Federal budget. I will confine my remarks to what I know to be the most worrisome effect, the effect on human life.

Since the announcement of the HUD moratorium and public disclosure of the administration budget requests, my analysis indicates the following where information is readily available in terms of dollar loss, and the impact in terms of persons employed or citizens serviced in five major areas for the City of Newark, N.J. Keeping in mind the uncertainty of future funding levels, as compared to current levels, pending passage and implementation of special revenue sharing or whatever is ultimately agreed to by the Executive and the Congress:

O.E.O.: Loss in FY '74 of $2,547,080 affecting 409 employees and several thousand citizens.

Manpower: Loss in FY '74 of $12,353,723, loss of more than 9,000 slots.

Health: Loss in FY '73 & '74 of $6,127,390.

Education: Loss in FY '74 title I only $7,000,000.

H.U.D.: Moratorium (18 months effective Dec. 1972):

Construction, $160,700,000.

Rehab, $46,120,000.

Jobs, materials, and service, $145,474,000.

For a total of $352,294,000.

Model cities loss in FY '74, $2,600,000.

Planned variations loss in FY '74, $7,000,000; totaling $361,894,000.

Total loss, Federal cuts plus HUD moratorium, $389,922,193.

Clearly, our resources will be reduced. Our current rate of 14% unemployment, nearly three times the national average will increase. Our present service rendering capacity will be disrupted. And our total economic base, in an already hard pressed urban center, will be seriously jeopardized.

At this moment in time, I cannot deal with the broader constitutional questions; I cannot deal with the matter of executive prerogatives; nor can I deal with lengthy debate. Because the effect is so devastating, and because it comes when the need is the greatest, I have no choice, and I hasten to say *we* have no choice, other than to deal with those persons who are unemployed (14% in Newark); those persons who live in substandard housing (35 to 40% in Newark); and with all the residents of Newark who in one form or another contribute to property taxes which by now are nationally known to be confiscatory. Because of these prevailing conditions of a history of poverty which glaringly exist in Newark today, February 21, 1973; and because each of us knows full well that the physical and psychological effects of hard core poverty have been in evidence for generations and that we are nationally at a very early stage in dealing with it, we have no choice but to render rational thought and care to any and all decisions aimed at dealing with these realities.

While some are of the conviction that the amounts of money spent are secondary in importance to the sophistication of the mechanisms used to scrutinize the spending of that money, we cannot pretend that the effects of poverty, the poor themselves, and the needs of people are abstractions which bend and mold with every newly conceived administrative or political approach. The reshuffling of the entire domestic government and our resources is too delicate a task to occur as it might under the present scheme. A scheme which is, without a doubt, sweeping in dimension, but not in the same fashion as the New Deal—the Great Society—the War on Poverty and the like.

Because the funding levels will be reduced, because adequate notice and consultation did not take place, and because interim provisions containing hold harmless guarantees are not included, the notion of giving localities greater discretion is a sham as are the predictions of rational effective results.

The fact that 1,315 families in Newark will be without a paycheck with the expiration of EEA; another 11,000 young people will be unemployed with the discontinuation of Neighborhood Youth Corps funds; millions of housing construction and subsidy dollars are frozen with the HUD moratorium; and just this week three legal service projects were shut down can be cited as a few of the immediate measurable effects. Many other immeasurable effects in a city like Newark, where much of our economy is service and consumer oriented, must be cited: Marginal businesses will be forced to close—more homes will deteriorate and be abandoned, the supermarkets and clothing stores will sell fewer products, more jobs will be lost—more public assistance will be required—crime will more likely increase—and the entire fabric of social well being will begin to crumble.

Many people who for a variety of reasons are removed from these concerns on a day to day basis may view our testimony here today as part of an exercise we either enjoy or are conditioned to perform every year at budget time. We've gone through the starting up and the winding down before but never before have we been confronted with so wide ranging and open ended a predicament. If there is a certain inevitability to all of this let us do it with people—not procedures in mind. If we put aside the desire to score political points and form a cohesive alliance where there is candor, flexibility and human concern in evidence, we can come up with improved conditions and approaches—none of us—including the victims of poverty in America—invented it—our actions should in no way make us a party to perpetuating it.

OEO

Total current funding, $6,200,000.

Total loss in dollars fiscal year 1974, $2,547,080 (Number of Projects lost. 9 (all in Community Action) Remaining Projects to be Housed after transfer to other Federal Agencies. At present there is no indication as to percentage of dollar loss.)

Total loss in employees, 409 persons.

MANPOWER

Total current funding, $24,510,051.

Total loss in dollars fiscal year 1974, $12,353,723 (Indicates loss of all EEA, NYC and CEP money plus 15% cut in all remaining DOL money under present plan for Executive order Special Manpower Revenue Sharing.)

Current manpower slots served, 17,916.

Estimated reduction slots, 9,000.

HEALTH

Current funding for 15 projects, $9,035,441.

Fiscal year 1973 net loss, 7 lost projects (includes $1.2 million in Hill Burton Hospital Construction) $2,580,568.

Fiscal year 1974 net loss, 44 lost projects, $3,546,822.

Total loss, 11 projects, $6,127,390.

Loss in service affecting 75,000 persons.

HOUSING

(A) Moratorium proposed under 236 but not in pipeline:

Construction units, 5,390; totaling $160,700,000.

Rehab units, 2,306; totaling $46,120,000.

Total units, 7,696; for a total of $206,820,000.

Estimated loss in jobs materials and service dollars, $145,474,000.

Total for housing, $352,294,000.

(B) model cities:

Current Funding (third year), $5,600,000.

Fiscal year 1974 loss at 55 percent spending authorization, $2,600,000.

(C) planned variations:

Current funding, $7,000,000.

Fiscal year 1974 loss, $7,000,000.
Education: title I (only), $7,000,000.
Other losses in Federal Education money to be detailed in Follow-up Summary.

At present there are 229 Federal Funded Programs in the City of Newark. The total Federal Share of these programs is approximately $210 million actual loss for FY '74 based on above estimate of $38 million-plus does not include non-Federal share (local matching) or $352 million due to HUD Moratorium.

FISCAL YEAR 1974—PROJECTED EFFECT OF BUDGETARY CUTS ON NEWARK'S COMMUNITY ACTION AGENCY (UNITED COMMUNITY CORP.)

Program	Fiscal year 1973 authorized program levels		Fiscal year 1974 net loss	
	Manpower	Funds	Manpower	Funds
General services	7	$30,943	7	$30,943
General services to senior citizens	94	214,908	94	214,908
Neighborhood centers	41	275,000	41	275,000
Neighborhood service centers	69	589,926	69	589,926
Newark legal services	32	[1] 343,171	32	343,171
F.O.C.U.S	67	48,858	67	48,858
Prevocational and vocational training	21	$325,671	21	$325,671
School age education	32	71,215	32	71,215
Central administration	46	647,388	46	647,388
Totals	409	2,547,080	409	2,547,080

[1] With additional funds from: Schumann Foundation ($22,000), Essex County Bar Association ($9,500), New Jersey State Department of Community Affairs ($34,000).

FISCAL YEAR 1974—PROJECTED EFFECT OF BUDGETARY CUTS ON NEWARK, N.J. DOL MANPOWER PROGRAMS

Program	Fiscal year 1973, authorized program levels		Fiscal year 1974, net loss—funds
	Slots	Funds	
C.A.M.P.S		$107,500	$16,125
T.E.A.M	2,800	3,560,000	534,000
N.Y.C.—In school	509	379,205	56,881
N.Y.C.—Out of school	194	700,000	105,000
N.Y.C.—Summer	9,000	2,540,440	381,066
P.E.P	1,106	6,518,200	6,518,200
C.O.P.E.:			
In school	74	382,500	
Out of school	104	55,130	87,167
Summer	680	143,480	
Newark Street Academy	300	210,000	210,000
Welfare demonstration project	496	$2,299,758	$2,299,758
O.J.T	300	257,000	257,000
Chamber of Commerce (NAB)	944	3,012,000	1,163,404
NAB—Administration		77,358	
MDTA Skill Center	1,200	3,032,000	454,800
North Jersey community miscellaneous manpower and employment	209	600,000	90,000
JOPS		535,480	80,322
Recreation support program		100,000	100,000
Total	17,916	24,510,051	12,353,723

FISCAL YEAR 1974—PROJECTED EFFECTS OF BUDGETARY CUTS ON NEWARK'S HEALTH PROGRAMS

Program	Fiscal year 1972, authorized program levels, funds	Fiscal year 1973, net loss, funds	Fiscal year 1974, net loss, funds
Columbus Homes health centers:			
HEW	$100,000	$100,000	
HUD	100,000	100,000	
Home management and training program (HEW)	34,193	34,193	
Health services management course (HEW)	16,375	16,375	
Nonemergency transportation (HUD)	30,000	30,000	
Martland Family health care center (OEO)	275,000	275,000	
NJCU health center	825,000	825,000	
Maternal and infant care—college (HEW)	599,157		$599,157
Family planning—college (HEW)	547,665		547,665
Mental Health—College (HEW)	$900,000		$900,000
Lead poisoning and prevention (HEW)	350,000		
Health services delivery (HEW)	200,000		
Urban rodent and pest control (HEW)	520,000		
Mental health—Mount Carmel Guild (HEW)	1,500,000		1,500,000
Drug abuse—college (HEW)	1,238,051		
Construction of (3) neighborhood health centers (HEW)	1,800,000	$1,200,000	
Total	9,035,441	2,580,568	3,546,822
Total, net loss			6,127,390

IMPACT OF MORATORIUM ON NEWARK—PROPOSED HOUSING PROJECTS IN NEWARK UNDER 236 PROGRAM AND NOT UNDER COMMITMENT BY FHA-HUD OR NEW JERSEY HOUSING FINANCE AGENCY—SUMMARY

Projects and number of DU's	Number	Construction costs	Loss of potential jobs, materials, and services to Newark community
I—New construction:			
A	944	$28,320,000	$19,824,000
B	350	10,500,000	7,350,000
C	4,096	122,880,000	86,016,000
Subtotal	5,390	161,700,000	113,190,000
II—Rehab:			
A	1,894	$37,880,000	$26,516,000
B	412	8,240,000	5,768,000
Subtotal	2,306	46,120,000	32,284,000
Grand total, new and rehab housing units	7,696	207,820,000	145,474,000
Effect of HUD budget cuts:			
Model Cities, fiscal year 1974 at 55 percent funding			2,600,000
Planned variation cut after fiscal year 1973			7,000,000
Subtotal			9,600,000
Total			451,894,000

STATEMENT OF MAYOR RICHARD GORDON HATCHER

Mr. Chairman, and other members of the subcommittee, I want to thank you for the opportunity to speak here this morning, I wish this appearance were entirely unnecessary. But in view of the proposed action of the Federal Government with respect to our Nation's cities, it is crucial that the Congress and the country realize what is happening, and I appreciate the timely invitation of this committee to bring about that realization.

I had the privilege to testify before you in late June of last year at a time when your

sub-committee was inquiring into the administration of local property taxes across the country. It is reassuring to know that the senate sub-committee on intergovernmental relations, under the leadership of its very capable chairman, retains its deep interest in the plight of our local communities.

My purpose here today is three-fold: To tell you of the total financial impact to my city of Gary, Indiana as a result of impoundments, the so-called housing moratorium, and the proposed budgetary cutbacks; to share some highlights of that impact in programmatic and human terms; and to point up additional, equally important ramifications of that proposed Federal action.

Gary, Indiana has been fortunate in the relative amount of Federal financial assistaance it has received in the past five years, a period embracing two National Administrations. Since I first assumed office as mayor in 1968, that assistance has risen steadily to the point that, on a per capita basis, Gary, Indiana may have fared as well in 1972 as any other American city.

Given the fact that there have never been adequate resources to meet the needs of our cities, Gary has been pleased and is appreciative of the consideration extended us. At the same time, it should be noted that our needs and problems have been great; and we have aggressively sought Federal assistance; and for the most part, we have used it wisely. Gary has been able to pioneer a number of innovative and successful programs and has achieved national prominence in several important areas.

On the basis of existing programs and new plans, Gary had anticipated receiving approximately $30,629,900 in Federal monies in 1973, including about $3 million which would have gone directly to our public school system.

As best as we can estimate items, the overall impact of the three-pronged Federal budgetary action will reduce that $30.6 million figure by more than $21,175,000—to less than $9.45 million. That is about 30% of what we had expected to receive in 1973.

Even if an estimated $3.5 million in special revenue sharing materializes for Gary, we will have about 42% of what we had previously expected—and less than 40% of what we received in 1972.

Beyond those dollar terms, allow me to point up some of the activities which will be affected.

Gary may be forced to eliminate or severely curtail the operations of its family health center, funded through our model cities program, which currently provides sorely needed health care for 561 low-income families for whom such care is inaccessible or otherwise beyond their means. The same sword of Damocles hangs over the educational development of 86 three-year olds in our "child's world of discovery" program; 266 four-year olds in our early learning center; 137 seventh- and eighth-graders who benefit from the special attention provided them in our advancement school; and 134 high school dropouts who are now progressing through our Martin Luther King Academy. And our Latin American family education program, a highly successful venture benefitting our Spanish-speaking population, is seriously jeopardized. In the past year alone, it has taught "survival English" to 208 adults and 388 children of Latin heritage.

We are faced with the prospect of slicing almost in half our Emerson code enforcement program which is geared to the improvement and stabilization of an ethnically-mixed neighborhood composed of about 7,500 poor-to-moderate income level persons, including a high percentage of elderly persons. Many of the latter are widows and widowers who desire the proximity to our downtown area they currently possess, but who need desperately the long-term, low-interest loan monies they anticipated in order to make their housing standard again. Home inspections have been made, residents have been integrally involved in the planning process, appointments have been made to launch the financial arrangements necessary for improvements and rehabilitation. Now much of the program hangs in the balance and the future for the residents of Emerson has perceptibly dimmed.

The immediate future is equally bleak for 5,000 poor youths, aged 14 to 18, who were to have worked in our neighborhood youth corps program this summer. We simply do not have employment alternatives for them in Gary. While they only received $400 for 10 summer weeks of work and job training, those youths frequently utilized those funds to enable their families to get their children ready for school in the fall. Anyone sensitive to the human condition must agonize with me over the fate of such young people who on occasion carry a final payment notice from the utility company when they receive their paycheck.

We are faced with the termination of our public employment program which has provided jobs and real opportunities for nearly 500 unemployed persons in Gary—and moved 215 of them into non-subsidized positions. What of the future of the 281 current program participants, nearly one-third of whom are Vietnam veterans and 80 to 90% of whom will need some form of continued assistance until they develop marketable job skills?

We will be forced to close down our loaves and fishes program funded through our community action agency which, in the past nine months alone, provided adequate meals to 3,153 low-income senior citizens. The same fate is in store for the agency's youth development program which provided more than 60,000 lunches last summer for young people involved in our recreation and job training projects.

Also, we must abandon plans for about 600 units of new housing—just as that many families and individuals must forego their hopes to live in standard, decent dwellings.

Those, then, are some of the human losses which we will experience in Gary, Indiana as a result of cutbacks in Federal monies through proposed budgetary reductions, impoundment and spending moratoriums.

They are severe and in many ways obviously tragic—but no moreso, perhaps, than the symbolic and psychological ramifications of proposed Federal action.

Gary, Indiana, in most ways, epitomizes a medium-sized American city—sorely neglected in the past—which currently has majority Black population and a combined Black and Latin population which has been estimated as high as 65%. The national trend toward majority central city populations comprised of Blacks and other minorities has been well-documented and is clear for all to see. In my judgment, our metropolitan areas and the nation as a whole cannot long endure without cities such as Gary remaining vital. But they cannot survive, let alone aspire for vitality, without strong federal assistance.

Beyond that, Gary has taken on national significance in recent years as a black center. It was one of the first two major American cities to elect black mayors; it has become a focal point of sorts for black arts and culture; it was the site of the historic national black political convention; it is the continuing subject of research by scholars in black studies; it now has a black majority on its city council, a black municipal judge and a black delegation to the Indiana general assembly; it has the only black-owned cable television corporation in the nation; and it has developed opportunities for blacks at all levels within the housing industry—from design to financing to construction. We are justly proud of our city and our accomplishments in recent years in other areas and on the basis of other considerations, too—but it is a fact that Gary, Indiana has become a focal point for the hopes and dreams and activities and achievements of black people in this nation.

Our city is also, on several counts, at the crossroads of our revitalization effort. We had approached the point, based on federal commitments, of catching up on our previous shortage in the supply of standard housing. Many of our manpower and job training efforts had shown tangible results. Our midtown area, which abounds our downtown business district, is seeing the first new construction there in several decades. And despite having to fight an influx of hard drugs with few resources, we have recently observed the ninth consecutive month of decreased criminal activity in our city.

So we have a city which in certain ways embodies black aspirations throughout this nation having scored certain breakthroughs and being on the threshold of more important ones. And at this very juncture comes the federal government with impoundments, a housing moratorium and proposed spending cutbacks which are severe on all counts.

That Gary, Indiana should be especially hurt by the federal action is not surprising: a cursory review of the federal budgetary actions indicates clearly that urban dwellers and therefore black Americans are expected to bear a disproportionate burden.

I understand as well as anyone that the climate and conditions in this nation are such that it will be difficult to generate the widespread opposition which this federal action merits. The cities are increasingly viewed as repositories for the poor, the black, the Latin, the elderly—those who are relatively powerless against the interests of stronger and more affluent elements of our society.

But I realize also, and I hope that the national administration and the Congress do, that as a moral and practical matter our society cannot raise the expectations of the downtrodden in this Nation and then dash those expectations. For no amount of rhetoric changes the fact that in so doing this society would be daring an understandably desperate people. It would be inviting them to abandon what little hope they have in our system of laws. It would be taking a reckless gamble with the stability of this Nation. It would be inflaming and compounding the indignities which the have-nots are systematically subjected to.

We cannot, in my judgment, afford any of that in the interests of this society.

We stand here in February, 1973 having recently terminated a long and costly war which has robbed us of some of our outstanding young men, stripped us of much of the respect we had in the eyes of our fellow citizens of the world, and sapped us of our resources. That war never should have existed, and it continued much longer than necessary, but I rejoice with others that it is, at long last, terminated. My fellow mayors and I had hoped that this Nation would begin the long-deferred task of rebuilding our urban areas so that the promise of equality of opportunity could become a reality. My fellow mayors and I had hoped to see this Nation's resources funneled into our cities where they belong. My fellow mayors and I have been told on numerous occasions that the Federal commitment to the cities would not be reduced.

And yet, as you can see clearly and as I have tried to translate in terms of impact

upon my city, the urban communities of America are being severely hurt. It seems we have ended an international conflict only to renew a national one with greater intensity than before.

We look to this sub-committee of the United States Senate and to the Congress as a whole to check this action to prevent greater urban disaster before it becomes a reality.

The Congress most certainly can and, in my judgment, should act with all the force at its command to direct a course of action in the greater interest of this Nation and all its citizens.

Agencies/program	1972 actual appropriation	1973 original anticipation	1973 amount/ percent cutback
Housing and community development:			
Airport:			
Runway strengthening	$453,000	----------	----------
Consultants	45,000	----------	----------
Beautification open space	50,000	$205,000	$105,000/50
Community renewal program	200,000	200,000	----------
Emerson code enforcement	400,000	1,600,000	625,000/40
Gary housing authority	4,318,000	6,700,000	6,700,000/100
Gary neighborhood services:			
Senior employment	101,670	101,670	20,000/20
Day care	64,000	64,000	----------
Metro corps	450,000	450,000	450,000/100
Model cities	2,600,000	2,600,000	1,560,000/60
Park department neighborhood facilities	350,000	350,000	350,000/100
Redevelopment:			
Model neighborhood Phase I and II	1,802,000	2,000,000	2,000,000/100
Small farms	6,255,800	5,000,000	2,500,000/50
Senior opportunities	40,000	40,000	4,000/10
Manpower:			
Cep	1,850,000	1,850,000	360,000/20
Camp's/Mapc	75,000	97,000	25,000/25
NYC (in school)	159,430	159,430	32,000/20
NYC (out of school)	613,970	613,970	122,000/20
NYC (summer program)	1,554,000	1,750,000	1,750,000/100
On-the job-training (urban league)	149,860	150,000	30,000/20
MDTA institutional training	154,750	154,750	31,000/20
Summer transportation	7,200	7,200	7,200/100
PEP	1,790,000	1,900,000	1,900,000/100
Health:			
Venereal disease control	48,000	79,927	12,000/15
Gonorrhea control	60,000	204,000	30,600/15
Maternal childcare	----------	161,468	161,468/100
Education:			
Adult education	45,000	----------	----------
Bilingual education	162,200	----------	----------
Higher education	$2,200	----------	----------
Higher education equipment	14,100	----------	----------
Higher education talent	86,550	----------	----------
Youth development	49,080	----------	----------
Title I GT. mobile unit	51,900	----------	----------
Career opportunity	300,500	----------	----------
Title III, parent cons	44,800	----------	----------
Title III, guidance and reading	29,300	----------	----------
Title IV, deaf learning	11,000	----------	----------
Title I, early learning	1,200,000	----------	----------
Preschool handicapped	110,000	----------	----------
Sickle cell grant	95,000	----------	----------
Library grant	47,000	----------	----------
Headstart	230,000	----------	----------
Air and water pollution:			
Air pollution control	4,000	$200,000	$100,000/50
Water pollution control	4,000,000	----------	2,000,000/50
Sewage installation	2,000,000	----------	----------
Miscellaneous:			
Criminal justice planning:			
Budget	448,300	350,000	----------
Criminal impact	----------	385,000	----------
Legal aid society	151,485	151,485	----------
Data processing	105,000	105,000	----------
Totals:			
Housing and community development	17,129,515	19,310,670	14,314,000
Education	2,478,630	3,000,000	300,000
Air and water pollution	6,004,000	200,000	2,100,000
Manpower	6,354,210	6,682,350	4,257,200
Health	108,000	445,395	204,068
Miscellaneous	704,785	991,485	----------
Total	32,779,140	30,629,900	21,175,268

STATEMENT OF MAYOR JOSEPH L. ALIOTO

Earlier this month, in his written "State of the Union" message, the President asked Congress to accept his new budget policies as a "pragmatic rededication to social compassion and national excellence."

The pragmatic reality of this budget is that it shows little dedication to America's cities and even less compassion for their people.

Instead of national excellence, it will bring us national shame because it will mark a moment in history when the United States decided to turn its back on the less fortunate among us.

We will have made a decision that our cities are not worth saving. Yet history—recent and ancient—should have taught us that abandonment of a nation's cities previews collapse of the nation itself.

In my own San Francisco, where we have made real progress in dealing with the truly human needs of our city, this proposed budget will deliver a demoralizing, destructive blow.

It offers us only $40 million for social programs now funded at $88 million and for which our recognizable and practical need is $118 million.

These are the very programs that have helped so much in closing the gap among the races, that have started our ghettos rebuilding into neighborhoods, that have started our poor on the long journey to realizing the full benefits of citizenship in this great country.

It is absolutely imperative that the funding for these projects not be suspended. We have established a momentum in our drive to restore our neighborhoods and to provide decent housing for our poor and elderly. We cannot allow this momentum to be stalled and turn our backs on this moral commitment to those who ask only a chance at sharing in the abundance of our country.

Yet, at the same time this Administration is refusing to rebuild America's cities, it is pledging every financial assistance to restoring the cities of North Vietnam. In fact, it may very well have already made secret commitments to that effect without consulting Congress.

North Vietnam deserves no super-priority over American cities.

Before we start rebuilding Hanoi and Haiphong, we must complete the rebuilding of New York, Chicago, Houston, San Francisco, and all our brother cities involved in no less a struggle for survival.

Any other course of conduct by this government represents a moral bankruptcy which will be rejected by the American people.

If the priorities reflected in this budget go unchallenged, this nation will surely face a revival of the discouragement and despair so evident in the 1960's.

Where is the compassion in a budget that strikes most severely at the poor, the elderly, the already unemployed, our school children?

Where is the dedication in a budget that strips us of the funds needed to rebuild our aging neighborhoods, that will force us to fire 2,000 people from their jobs, that will kill programs to help our educationally handicapped children, that will stop us mid-way in training our unemployed?

Where is the excellence in a decision to turn our backs on our own people in favor of spending billions on a country 9,000 miles away?

The President's proposed budget cuts come with the explanation that many urban programs are wasteful, that the reductions are necessary to control inflation, that it is all part of a vital new move to return more local control to the cities.

Every Mayor in this hearing room supports responsible actions to control inflation.

Every Mayor in this room acknowledges some waste and inefficiency in a number of these programs, but certainly no more than is evident in the Defense budget and many other governmental programs.

We pledge our fullest efforts to trim every ounce of fat from the urban programs. We ask the Administration to do the same with the rest of its budget.

Every Mayor in this room supports a ceiling on the total national budget, but with some sensible structuring of priorities under that ceiling.

Frankly, a ceiling on the national budget could be meaningless if the cities are forced to raise property taxes to save the programs killed by Washington.

And deliberately creating unemployment in our cities is a strange choice of weapons in the war on inflation.

From its budget, we can only conclude that this Administration seems intent on forcing the American public to choose between the "work ethic" and the "welfare ethic."

We all believe very strongly in the "work ethic" and much of this nation's greatness derives from its willingness over the span of history to embrace that belief.

But the soul and spirit of our Nation are founded also on our belief in the "Christian ethic", which asks only that from our abundance we provide for the poor among us.

If we lose that spirit in this country, we have nothing.

Finally, as we review the Administration's budget, we cannot divorce it from the unconstitutional arrogation of power evidenced by the Presidential impoundment of funds and killing of programs over the clear will and intent of Congress.

Over the objections of our Legislative branch, the Administration says it is phasing out programs to tighten up the Federal budget.

What it is really doing is phasing in programs—right into the cities' budgets and on to the backs of the property tax payers who can afford them least of all.

ESTIMATED EFFECTS IN FISCAL YEAR 1974 OF FEDERAL CUTBACKS ON COMMUNITY DEVELOPMENT AND HOUSING, SAN FRANCISCO

TABLE 1.—ESTIMATED AMOUNT OF FEDERAL FUNDING

[In millions of dollars]

Programs	Current, fiscal year 1973	Fiscal year 1974 Needed	Expected	Difference
Community development:				
FACE	2.10	1.75	0	1.75
Redevelopment	[1] 18.00	[2] 35.10	0	35.10
Neighborhood facilities		2.33	0	2.33
Open space	.14			
Model cities	7.35	7.35	[3] 2.00	5.35
Total	27.59	46.53	2.00	44.53
Housing subsidies:				
Sec. 312 rehabilitation loans	3.00	8.03	0	8.03
Sec. 236 private housing	1.29	1.80	0	1.80
Rent supplements	1.65	[4] .76	0	.76
Public housing	3.66	[5] 8.50	3.95	4.55
Total	9.60	19.09	3.95	15.14
Grand total	37.19	65.62	5.95	59.67

[1] Includes $4,900,000 which became available in fiscal year 1973 but was allocated out of HUD's fiscal year 1972 budget.
[2] Includes $13,000,000 for land writedown in Western Addition A-2.
[3] Does not include $2,500,000 carryover from current funding.
[4] Rent supplement funds generally lag 1 year behind sec. 236 funds. This figure does not include subsequent need for $800,000 to apply to fiscal year 1974 needs for sec. 236.
[5] Includes $1,900,000 as the annual subsidy contribution for the capital cost of $19,650,000 for 750 new units.

TABLE 2.—NUMBER OF HOUSING UNITS

Programs	Fiscal year 1974 Program need	Expected	Difference
Sec. 312 rehabilitation loans	1,319	0	1,319
Sec. 236 private housing	1,504	0	1,504
Public housing	1,750	0	1,750
Totals	4,573	0	4,573

NOTES

1. Above does not include 582 units programed for receiving sec. 236 funds in fiscal year 1973 and for receiving rent supplements in fiscal year 1974.
2. An additional 2,115 units, for which HUD reserved funds prior to the moratorium, may also be affected by the moratorium due to normal construction cost inflation and HUD's unwillingness to increase subsidies or extend feasibility letters, thus causing the involuntary abandonment of housing plans by sponsors.

ESTIMATED EFFECTS IN FISCAL YEAR 1974 OF FEDERAL CUTBACKS ON SOCIAL PROGRAMS—ESTIMATED AMOUNT OF FEDERAL FUNDING

[In millions of dollars]

Programs	Fiscal year 1973	Fiscal year 1974 Needed	Expected	Difference
Manpower:				
EEA	6.40	6.40	3.50	2.90
Other	23.60	24.80	21.20	3.60
Economic opportunity	15.00	15.00	10.00	5.00
Education:				
Title I (ESEA)	5.20	5.20	0	5.20
Public Law 874	.68	.68	0	.68
Totals	50.88	52.08	34.70	17.38

ESTIMATED EMPLOYEE CUTBACKS

Program employment	Fiscal year 1974 Present level	Estimated reductions
Community development and housing	1,402	−350
Manpower training	2,565	−965
Economic opportunity	1,025	−346
Education (Title I)	450	−450
Totals	5,442	−2,111

STATEMENT OF LEE ALEXANDER, MAYOR OF SYRACUSE, N.Y.

Mr. Chairman, I am Lee Alexander, Mayor of Syracuse, New York. I am honored today to join my colleagues on the Legislative Action Committee of the U.S. Conference of Mayors in discussing with you the probable impact on localities of the proposed federal budget. In addition to my membership on the LAC, I am also a member of the Advisory Boards of the Conference of Mayors and the National League of Cities, and I serve as chairman of the Community Development NLC.

The Conference of Mayors and the NLC were early supporters of reform current categorical aid system. We recognized the need to reorganize the federal bureaucracy and we have urged that responsibility for federal programs be vested at the local level.

Syracuse is a city of nearly 200,000 people. It is a strong city economically. Throughout the last decade, our unemployment rate has remained below the New York State average. Syracuse city government has never reported a deficit, and we have begun several programs, with federal assistance, to improve our City.

However, with my colleagues, I am concerned about the impact that some of the Administration's proposals will have in the neighborhoods of my city and on the general economy of a middle-sized city like Syracuse.

I am concerned most by the way in which the federal budget will affect the young people, the senior citizens and the veterans who live in my city.

The termination on July 1, 1973 of the Emergency Employment program will reduce the number of jobs available to service veterans at a time when our remaining Vietnam Servicemen are returning home. More than 700 men and women are employed through the Emergency Employment Act in our metropolitan area. Three hundred of them are employed by the City and nearly fifty per cent of these are veterans. The City of Syracuse has provided employment for 270 veterans through this program. We have put these people to work providing basic, essential services in our police and fire department, in our schools, in consumer protection, in parks and recreation.

Twenty-five per cent of the persons we employ through this program were receiving welfare assistance before they were hired. The job market in our private sector will not provide jobs for most of them. It is more likely that they will again turn to welfare.

The proposed budget will eliminate 1,500 summer jobs for students in Syracuse that are financed through the Emergency Employment, Model City and Neighborhood Youth Corps programs. The loss of these jobs will also reduce several neighborhood-oriented recreation programs operated by the City. In addition, a number of youth-oriented programs are in jeopardy. For example, a tutorial program for potential school drop-outs now operated by a Black fraternal organization through the YMCA has been responsible for improving the learning abilities of hundreds of youngsters in City junior high schools will face elimination.

I submit, Mr. Chairman, that jobs for veterans, summer jobs for students, recreation programs and youth-oriented educational programs are essential tools in our community's effort to reduce crime and drug use among young people.

One thousand, seven hundred and forty-three units of subsidized housing and an additional 318 units of public housing are in jeopardy as a result of the Administration's proposals to cut back support for low and middle income housing construction. Six hundred and sixty-seven of these units are planned for the elderly. As of February 1, 1973, the Syracuse Housing Authority had a waiting list of more than 1200 persons and families seeking adequate housing. If federal support for these projects is withdrawn, we will not meet the housing needs of our senior citizens.

Seven hundred and fifty of these housing units are rehabilitated housing. I am particularly disappointed in the Administration's decision to eliminate all funds for rehabilitation after July 1, 1973. Our housing rehabilitation programs are essential to our city's total efforts at neighborhood preservation and neighborhood development. We have recently completed a neighborhood rehabilitation program in one area of our city and had wished to develop similar programs.

In the past three years Syracuse has committed several million dollars of local property and sales taxes to improve our neighborhoods—toward new school construction, new firehouse construction, the development of crime control teams, and the improvement of our parks system. Housing rehabilitation is an essential part of this effort.

We recognize that the nation may no longer be able to afford all of the separate categorical programs that have been established in the last thirty years. But we cannot accept decisions which reduce the opportunities available for our senior citizens, for our young people and for those who have served our country.

Within a spending ceiling of $268 billion in Fiscal Year 1974 and without increasing federal taxes, we feel the nation can and must try to meet the employment and housing needs of its people.

CHARLES STEWART MOTT

Mr. GRIFFIN. Mr. President, the people of Michigan and many thousands of other Americans mourn the death of Charles Stewart Mott. Mr. Mott was buried today in Flint, Mich.—the city he loved and the city to which he devoted great energy and personal fortune.

Michigan has lost one of its most distinguished sons, and the Nation has lost a real pioneer.

Mr. President, I ask an article which appeared in the Detroit Free Press regarding the life of Mr. Mott be printed in the RECORD.

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

FLINT MOURNS MOTT AMID TRIBUTES TO GM PIONEER

(By Tim McNulty)

Charles Stewart Mott, Flint industrialist, philanthropist and one of the world's wealthiest men, will be buried Wednesday amid tributes from the city and corporation he helped build.

Mr. Mott, once the largest individual stockholder in the General Motors Corp. and founder of the world's fifth largest philanthropic foundation, died early Sunday morning in St. Joseph Hospital in Flint. He was 97.

Within hours of his death, Francis Limmer, mayor of Flint, declared a seven-day period of mourning in the city and ordered all flags flown at half staff in honor of Mr Mott, who earned the title of "Mr. Flint" for his donations to the city and its schools.

In Detroit, Richard C. Gerstenberg, chairman of the board of GM, which Mr. Mott helped found, said of Mr. Mott: "Few men deserve the title 'pioneer' more than he.

"Our sense of loss over his death is in some measure compensated for by memories of his long and full life of service to his country, his city and our corporation."

In Lansing, Gov. Milliken said: "His name will be etched in Michigan history and his works will be a lasting monument to the compassion he had for others."

Mr. Mott's death inspired other tributes from educational and business leaders across the state.

The body will lie in state at St. Paul's Episcopal Church in Flint from 10 a.m. to 9 p.m. Tuesday, according to his family.

Funeral services will be at the church at 11 a.m. Wednesday, with burial in the Mott family mausoleum in Glenwood Cemetery, Flint.

At 3 p.m. Wednesday, there will be a community memorial service at the Writing Auditorium in Flint.

The family is asking that memorial contributions be made in Mr. Mott's name to the Mott Children's Health Center in Flint, or the Mott Memorial Scholarship Fund, care of the Flint Board of Education.

Mr. Mott had entered the hospital Jan. 28 with a cold.

Mr. Mott was an imposing, craggy-featured man who was known for his generosity with millions of dollars and his frugality with nickels and dimes.

Mr. Mott was a friend of many of the pioneers of the auto world. He was one of the last survivors of the turn-of-the-century businessmen who put the nation and the world on wheels.

Dean of GM's board of directors, on which he served from 1913 until his death, Mr. Mott was also a former vice-president of the corporation and was chairman of the board of the U.S. Sugar Corporation.

He became well known for his gifts, especially in Flint, to education and cultural life. His pride was the Mott Foundation, which he formed in 1926 with 2,000 shares of GM stock. The assets of that foundation have been listed recently at almost $300 million.

The recipients of Mr. Mott's personal and foundation generosity dot the Flint map including the $1.5 million Mott Community Center of Science and Applied Arts, the $2.6 million C. S. Mott Foundation Children's Health Center and the Charles Stewart Mott Library.

His personal fortune has been estimated at up to $500 million, making him one of the 15 richest men in the world.

In 1963, he contributed $129 million worth of GM stock to the Mott Foundation and a year later gave $6 million to the University of Michigan Medical Center for a children's hospital in Ann Arbor.

At the time of his death he still owned, or held in trust over 700,000 shares of GM stock.

Despite his willingness to part with millions of dollars for a good cause, Mr. Mott was known as a string saver, a man who never bought a paper clip because he saved the ones sent to him and one who was glad to use the back of envelopes for scratch paper.

Although he refused to play poker for more than a dime stake, he was willing to cut the cards for thousands of dollars if whoever won would contribute the winnings to charity. Few took him up on the offer.

Born in 1875 in Newark, N.J., Mr. Mott later joined his father and uncle in two business ventures, one a company that manufactured soda fountain carbonating machinery and the other, the Weston-Mott Co. in Utica, N.Y., which made wire wheels.

In 1902, the shift to artillery wood wheels shut Weston-Mott and Mr. Mott traveled throughout the country seeking new business.

He found that fledging auto companies needed axles and he took $250,000 worth of orders without ever having made one. He returned to Utica and worked on the design and manufacture of the axles and filled the orders.

In 1905, at the invitation of W. C. Durant, father of GM, Mr. Mott visited Flint and then moved his business there. Soon it became the largest axle company in the world.

When General Motors was incorporated in 1908, Mr. Mott persuaded the company to buy 49 percent of Weston-Mott in return for GM Stock. In 1913 GM bought out the remaining 51 percent, again for GM stock.

Mr. Mott left a $25,000-a-year post three times to serve in the $300-a year post as mayor of Flint, in 1912, 1913, and 1918. He was a candidate for the Republican nomination for governor in 1920, but finished third in a field of nine.

Mott served twice in the armed forces. In the Spanish-American War in 1898 he was a Navy gunner's mate during the Cuban blockade. During World War I as an Army major in charge of motor production in Michigan and Indiana.

A man of immense energy, Mr. Mott drove his own car until he was in his early 90s. He was once an expert horseman and began playing tennis when he was 50 but reluctantly gave it up when he turned 75.

Mr. Mott lived in an 18-room, slate-roofed Georgian house in Flint. The house, dated 1916 in the stonework, was named "Applewood."

From his office on the fifth floor of the 16-story Mott Foundation building and from his back porch at Applewood, he could see many of the buildings that resulted from his generosity.

"Some people may think it's a crazy bird who does that sort of thing," he once said, "but I get more fun out of it than anything else. It's a lot more rewarding than taking trips around the world."

A pipe smoker, Mr. Mott was a charter member of the Arrowhead Pipe Club of Flint and readily served as a timekeeper at pipesmoking contests. After 1902, he refrained from drinking except for trying a single mint julep in 1924 which convinced him, he said, that he was allergic to alcohol.

Although he never boasted about his gifts, he said he created the Mott Foundation "because I had observed how many well intended ideas and plans went astray after a man's death."

Mr. Mott married Ethel Culbert Harding in 1900. She died in 1926. They had three children, Aimee Mott Butler of St. Paul, Minn., Elsa Beatrice Mott Ives of New York and Charles Stewart Harding Mott of Flint.

In 1927, Mr. Mott married Mittief Butterfield Rathbun. She died in 1928 and a year later Mr. Mott married Dee Van Balkom Furey. That marriage ended in divorce the same year.

In 1934 Mr. Mott married a distant cousin, Ruth Mott Rawlings, who survives him. They too had three children, Suzan Elizabeth Mott Webb of Birmingham, Ala., Maryanne Turnbull Mott Meynet of Santa Barbara, Calif., and Stewart Rawlings Mott of New York.

Mr. Mott had 11 grandchildren and 15 great-grandchildren.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Geisler, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) 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 Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 345) making further continuing appropriations for the fiscal year 1973, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 345) making further continuing appropriations for the fiscal year 1973, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

RESTORATION OF RURAL ELECTRIC AND TELEPHONE DIRECT LOAN PROGRAMS

The PRESIDING OFFICER. Under the previous order, the Chair now lays before the Senate the unfinished business, S. 394, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 394) to amend the Rural Electrification Act of 1936, as amended, to reaffirm that such funds made available for each fiscal year to carry out the programs provided for in such Act be fully obligated in said year, and for other purposes.

The PRESIDING OFFICER. The clerk will report the pending Bellmon amendment.

The legislative clerk read as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That the purpose of this Act is to provide for loans to certain borrowers under the Rural Electrification Act of 1936 which shall bear interest at the rate of 2 per centum per annum.

SEC. 2. Section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking the second proviso and adding in lieu thereof the following: *"Provided further,* That all such loans shall be self-liquidating within a period of not to exceed thirty-five years, and any loans which are made for the purpose of extending or upgrading distribution lines in areas where less than three customers per mile are or will be served shall bear interest at the rate of 2 per centum per annum:".

The PRESIDING OFFICER. Time is under control. Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, the amendment I propose is very brief and clear. It simply says that 2-percent REA loan funds shall be available to REA co-ops that need these funds to build lines to provide services to areas where the number of customers is 3 per mile or less.

Yesterday, the distinguished Senator from Minnesota (Mr. HUMPHREY) pointed out that one purpose of this bill is to send a message to the President, and I agree with this purpose, because I feel that the REA program is vitally needed. I feel that the 2-percent money is needed in certain circumstances.

But I am concerned about a different kind of message that this Congress, this Senate, may be sending out as we act on this bill. I am concerned that we are giving the impression to many American people that farmers are greedy, that we are trying to take advantage of the taxpayer. I am afraid that in the long run we are going to do far more damage if we pass this bill as it now stands than if we amend it so that it conforms to the original purpose of the REA Act.

I also would agree with the Senator from Minnesota that he is probably right in saying that the President had no direct knowledge of the action taken in ending these low interest REA loans.

I also agree with him in some of the comments he made about the OMB bureaucrats. There probably are people down there who have been trying to do damage to this program for a long time. But I hope I can get the Senator from Minnesota to see this bill as I do, and perhaps he will decide to agree to my amendment.

In the first place, we should all be reminded that this was initially intended to be a rural electrification act. It was never intended to be a suburban electrification act. Yet, the most recent figures we have been able to get show that during calendar year 1972, the number of customers per mile of new line—I am talking about line just now being constructed—averaged 14. Fourteen customers are served for each new mile of REA line that has been built.

In my State of Oklahoma, which is still basically an agricultural State, the estimated number of customers per mile of new lines in 1972 was 7.26. Mr. President, in our State the average farm is 500 acres, and you just cannot jam 7.26 500-acre farms into 1 mile. It takes almost a square mile to contain 500 acres. Therefore, the number of farmers per mile would average approximately one, except that they do tend to build their homes along the highways and in the areas that are served by rural water districts and rural electric services.

So the problem here is that we seem to have gotten away from the original intent of the act, which was to serve agriculture and the rural areas; and we now seem to be serving largely suburbia. This, to me, endangers the act and shows that there is reason for some review of the operation of this vitally important law.

I have no objection to seeing the REA co-ops serve the types of customers that are indicated when the number goes up to 14 per mile. But these are not farm customers. They are suburban people who have decided to move to the countryside to make their homes; they are commercial operations of one kind or another; they may be some kind of small industry. The point is that they are grouped together closely enough so that there is no reason for making low-cost loans for the simple purpose of building the lines necessary to serve them.

Initially, when REA started, it was necessary to build long lines to reach from one farmhouse to another. But now we see that the REA serves these types of customers, and I invite the attention of the Senator from Minnesota to the fact that the latest figures show that there are 14 customers per mile of new REA lines.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. Mr. President, I yield myself 5 additional minutes.

As I say, I have no objection to seeing this kind of customer served with REA electric power. They need it, and I am glad to see them in the countryside. Most groups can certainly pay cost of money for the loans that REA has to make to provide that service.

I believe that we ought to recognize the fact that when we ask for special concessions for this kind of customer, we are simply making it more and more difficult for Congress to grant low interest loans to the legitimate customer, the agricultural type of customer, who does live in more sparsely populated areas and does have to pay for it.

The Senator from Minnesota (Mr. HUMPHREY) is much more experienced, to begin with, than is the Senator from Oklahoma. I have been here only a short time, but I have noticed one thing especially, and that is that Congress tends to be long-suffering, tends to be, very often, tolerant of a certain amount of inefficiency. But suddenly we become aware of the need for action, and we spring to life. Then we act almost with a vengeance. Now we pass every environmental bill that any Senator can think up. We are concerned now with a cure for cancer and with public health and safety.

When I first came to the Senate, I was amazed at the low esteem in which the energy industry was held. I have served as chairman of the Interstate Oil Compact Commission. I was appalled at the action Congress took to cripple the industry at the very time it needed a helping hand.

I call the attention of the Senate to recent stories in the newspapers. I will read the headlines:

Food Prices at 20-Year Record.

Another one reads:

Farm Prices Rise 7 Percent. Costliest Month in 26 Years.

In this country, farmers and rural Americans once had a bright image, but now that image is becoming tarnished. There seems to be a feeling that farmers have been feeding at the public trough for a long time and that now they are getting fat and greedy. I believe Senators who are friends of the farmer, as I consider both the Senator from Minnesota and myself to be, should begin to face up to the responsibility of getting agriculture's house in order. If we do not, the entire Congress will.

The farm act expires this year. I can sense a lot of resistance to renewing it. I believe it will be a tremendous catastrophe for the whole country if farmers go bankrupt. We need to show responsibility.

My amendment does absolutely no violence to this bill; it actually strengthens the bill, so far as agricultural America is concerned.

Mr. President, REA was a rural electrification act. I will read the language which appears on page 25 of the original bill. It states that the purpose of the bill is to provide rural electrification and the furnishing of electrical energy to persons in rural areas who are not receiving central station service and for the purpose of receiving telephone service in rural areas.

This amendment will not deny that service to the original customers provided in the Rural Electrification Act. This amendment would help assure the continued service of REA to American agriculture and lessen the chances of the day coming when perhaps the entire program would be repealed by a hostile Congress.

Yesterday the distinguished Senator from Minnesota (Mr. HUMPHREY) said he wanted to send the President a message. I agree. Obviously somebody down there needs a message, particularly about agriculture. But I am concerned now with consumers ultrasensitive about food prices. That message might cost agriculture not only the REA program but other vitally important programs.

Mr. President, my amendment takes care of the legitimate needs of American agriculture. It also says that farmers are fair and reasonable citizens who do not want or need or expect special favors.

Mr. President, I urge adoption of the amendment.

Mr. CURTIS. Mr. President, does the Senator from Oklahoma have time remaining?

Mr. BELLMON. Mr. President, how much time do I have remaining?

Mr. CURTIS. Mr. President, I yield myself 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I rise in support of the amendment offered by the Senator from Oklahoma.

I feel there are certain basic problems with the present Rural Electrification Act and if REA is to remain a viable force, these matters need attention now. It is regrettable that such drastic action as the President has taken was necessary to bring these problems to the attention of the Congress.

In my opinion, the purpose of the Rural Electrification Act was to bring electricity to farmers and ranchers who were not being served by private power companies, and to carry out that historic purpose I support continuation of the 2-percent loan program. This means I favor 2-percent loans to build and upgrade distribution lines to farmers and ranchers and for that portion of generating equipment that is allocated for the purpose of providing electric power to farmers and ranchers.

I do not favor the subsidization of rural electric customers who are not farmers and ranchers. Of the 7 million meters on REA loans, only 1.4 million serve farms or ranches. Lines financed by REA in 1972 averaged 14 meters per mile. This does not indicate to me that a great many lines are being extended to farflung ranches and farms.

The substitute we are now considering does not go as far in providing 2-percent funds as I would prefer, but it is a move in the right direction. I am pleased that Chairman TALMADGE has asked our Subcommittee on Agricultural Credit and Rural Electrification, under the chairmanship of the Senator from South Dakota (Mr. MCGOVERN) to make an intensive study of REA legislation and come up with some recommendations for updating the act.

I am also pleased with a letter to Chairman TALMADGE dated February 6, 1973, from Mr. Robert Partridge, executive vice president of the National Rural Electric Cooperative Association, in which he stated:

> Our organization . . . by recent decision of our Board, is now intensively studying possible amendments to the Rural Electrification Act in the light of Federal budget and outlay strictures, the national economic situation, and the financial conditions of the individual rural electric systems. We shall try to have our recommendations ready whenever the Committee wishes to hear from us.

Mr. President, I believe the substitute offered by the Senator from Oklahoma (Mr. BELLMON) is the appropriate step at this time. I agree with him that if we allow the situation to go unresolved and to drift, and permit politics to be played between Congress and the Executive we may find ourselves without an REA program with the lower interest rates to serve farmers and ranchers. I believe that the proposal of the Senator from Oklahoma is sound and fair. I believe it will be acceptable to the rural people of the United States. I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President. am I correct that there is 15 minutes on this amendment for me?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Mr. President, this is a rather difficult assignment for me to challenge the amendment of my esteemed and good friend from Oklahoma (Mr. BELLMON), but I rise in opposition to this amendment because I frankly believe it would add nothing constructive to the present bill. On the contrary, it might well serve to confuse the issue and completely frustrate the purpose that the Committee on Agriculture and Forestry had in mind when it reported S. 394.

For example, the amendment of the Senator from Oklahoma would not compel or instruct the Administrator of the Rural Electrification Administration to reinstate and carry out a 2-percent loan program. In fact, it would not compel the Administrator to do anything. Thus, it would completely negate the purpose of S. 394—to require the Administrator of the Rural Electrification Administration to honor the law and carry out an REA direct loan program in the full amount appropriated by Congress.

Mr. President, the amendment offered by my friend from Oklahoma would only permit the Administrator of REA to make 2-percent loans for the purpose of extending or upgrading lines in areas where less than three customers per mile are or will be served.

It would, therefore, be an exercise in futility for Congress to pass a law giving the Administrator of the REA such permissive authority and which would grant authority the Secretary of Agriculture which he already has terminated. It would be futile because at present there is no REA 2-percent loan program. It is as dead as McNamara's goat. There would still be no REA 2-percent loan program if we modify the eligibility requirements for 2-percent loans, because the issue before the Senate is whether there is going to be a 2-percent loan program, whether it is three to a mile, four to a mile, or 10 to a mile.

The amendment of the Senator from Oklahoma would modify what is called the criteria. There is great flexibility under the present program. The Administrator, as I pointed out yesterday in the debate, can lay down rules and regulations for what we call the mix of 2-percent loans and loans for supplemental financing at higher rates of interest.

By the way, the Senator's amendment still leaves the rural telephone bank inoperative. The rural telephone bank requires a mix of 2-percent money and 4-percent money. The Secretary of Agriculture action has also all but abolished that program as well. For us to stand here in this body and to amend the program, without actually requiring that it be reestablished will accomplish nothing.

Moreover, I am opposed to making these changes in basic law here on the floor of the Senate. The committee has not had an opportunity to really examine the substantive impact of this amendment on the program itself.

We have not talked to REA users. We have not talked to legal counsel. We have not had a chance in committee to examine the full ramifications of the amendment. We do not know how rural electric and rural telephone borrowers would be affected by this amendment.

We have a disagreement on that. The National Rural Electrification Cooperative Association says the average meter per mile is 4.4. The distinguished Senator from Oklahoma says it is 14. However, I must point out that meters do not necessarily relate to number of farmers or customers per mile.

I live 39 miles out of Minneapolis. I have four meters on our 29 acres. One man pays the bill. So there are four meters, but one customer. So we need to get a lot more information on this question than we now have.

The American farmer has no greater friend than the senior Senator from Oklahoma. He knows I am sincere. He and I have worked hand in hand on programs that would benefit rural America. He is a cosponsor of the pending bill.

I would hope he would permit the proposal he has to go back to committee. I have said repeatedly that all these matters need to be examined, because that is why we have the Subcommittee on Rural Credit and REA, which is headed by the Senator from South Dakota (Mr. MCGOVERN), who has indicated that hearings will soon be held on all of these questions. I believe that is what the Senator from Oklahoma should be doing.

Finally, I have just been looking at the REA Act again. Listen to this language. This is the law we are trying to restore now:

> The Administrator is authorized and empowered—

The bill before us changes the word "empowered" to the word "directed"—

> to make loans in the several States and Territories of the United States for rural electrification and the furnishing of electrical energy to persons in rural areas who are not receiving central service stations and for the purpose of furnishing and improving telephone service in rural areas. . . .

and so forth.

Rural areas includes what? I can speak with knowledge on what we mean by such areas. I live in a rural area. My town is Waverly, Minn., with a population of 600. The next town is Howard Lake, Minn., population 900. That is a rural area.

Then the next town is Waconia, popu lation 1,100. That is a rural area. Then there is another town called Watertown, Minn., population 800. That is a rural area. Some of these areas are are served by Northern States Power. Frankly, I buy my power from Northern States Power. That is the line that serves my cause. REA does not come down that far. The REA line serves farmers to the north of me and to the west, and serves rural areas. It even serves a little gun club over there. I hope that will not upset anybody. We have a few people who belong to a little gun club there, where we go skeet shooting once in a while, and we have to turn on the lights and have a little electricity from an REA line. Northern States Power is not ready to put that line in there to give a few people a little light to do some shooting. We go there and turn on the lights and have a little discussion about who the best shot is.

We are talking about the best program this country has ever had—REA. Why tinker with it? When did the Secretary of Agriculture get a revelation from on high that REA ought to stop? When did they discover that 2-percent loans are the worst thing that ever happened? As a matter of fact, Mr. President, 2-percent money is still needed for the rebuilding of many lines. Two percent money is needed for modernization. The REA program, even with a certain amount of continued subsidization will result in bringing more money into the Federal Treasury than anything the Secretary of Agriculture can do to modernize agriculture, because it reduces the cost of production. That is one way to reduce food prices. I hope we do not decide that we are going to have to jack interest rates up to a high level just because of somebody's ideology. Few people obect to this program. Now they say we have to have some restrictions.

I simply say the administrator of this program has the power under existing law to make the mix between 2-percent money and higher interest rates.

The one argument is, Are you going to have any program at all? The other argument is, Is the credit under the Rural Development Act program going to supplant REA? That is the big issue.

The Secretary has said money can be gotten under the Rural Development Act. No rules or regulations have yet been promulgated under the Rural Development Act. The Department of Agriculture is not prepared as yet to provide any loans under that act. No such loans are being made. We are being stalled. The Rural Development Act was not designed to provide credit as a substitute for credit under the REA Act, Rural Development Act credit is to be made available as a supplement, not as a replacement of REA Act credit.

The point that I tried to emphasize yesterday was that even the General Counsel of the Department of Agriculture, in his opinion to the Administrator of REA, seriously questioned the legality of trying to use rural development funds or guarantees for rural electrification.

I just conclude by saying that we provide credit and money all over the world at 1 percent and 2 percent in grants and loans, and I think if we are going to do any more of that, we had better start taking a look at what we are doing at home.

I really appeal to my good friend from Oklahoma, because I want his amendment to be considered in committee. I really believe, and I say this most respectfully, that we have the votes to defeat this amendment. I would prefer to have it considered by the committee. I wish I could privately, try to convince him, to withdraw his amendment.

I would like the Senator, now that he has made his case, to take that amendment to committee. He knows he will get an early hearing. He knows I like to bend over and give him the benefit of the doubt, even when I think he is wrong. I like the Senator from Oklahoma. We recognize that he has made a valiant effort and has brought us some valuable information, but I wish he would withdraw the amendment and submit it to the committee. It is only a few months before we will have to review the whole REA program, because we are going to run out of funds in June. The Committee on Agriculture and Forestry and the Appropriations Committee will have to look at the whole program very soon.

Mr. BELLMON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. BELLMON. Mr. President, let me begin by expressing my deep appreciation to my friend, the Senator from Minnesota, and I know he pleads with great sincerity when he gives me the fatherly advice that we should not have a vote on this amendment. I realize there are other issues involved than just what we are going to do with 2-percent money.

At any rate, let me say that some of the points the Senator raised need to be clarified slightly. One is the statement that the average was four customers per mile. That is right, but in recent years the new connections are averaging 14 per mile, which shows that the character of the program has changed.

Mr. HUMPHREY. Mr. President, did the Senator refer to customers or meters? That has been a problem. I am not sure whether he is referring to customers or meters.

Mr. BELLMON. I cannot say in this case. However, my experience with the REA has been that not many people pay for two meters if they can get away from it. There is a minimum on meters. And if a farmer can have just one meter, that is the number he pays for. It is extraneous as to whether it is meters or customers. There may be occasions when a farmer would have more than one meter. However, that is not normally the case.

The character of the program has changed. The national average is 3.9 per mile. However, there were 14 per mile of new line constructed in 1972. The need for 2-percent money is not as great as it was when it served the agricultural type customer.

I would say that the question has been: What is a rural area? It is indefinite. We included, I believe, 50,000 as being rural in a bill last year, and I agree with that. But that was not the intention here. If we do not take steps to limit this act to its original intention, we may wind up losing the whole thing, and that is where we differ.

It is one of the finest acts ever passed by Congress. And I hope it will not be changed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield 1 additional minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 additional minute.

Mr. BELLMON. Mr. President, I would like to point out that the REA is now in the process of closing loans to three locations. One is the Colorado Co-op, and the other two are telephone companies. The new program is in operation. And 5-percent money is available. Some of these loans will be closed very quickly—some of them perhaps even tomorrow.

Mr. McGOVERN. Mr. President, the amendment suggested by the Senator from Oklahoma (Mr. BELLMON) has a great deal of merit. It is one of the approaches which we should consider in solving the problems of rural electric financing.

But this is not the time or the place to consider this amendment. We made it clear yesterday that, upon the restoration of the REA 2-percent loan program mandated by Congress, my Subcommittee on Agricultural Credit and Rural Electrification will begin exhaustive hearings on this matter.

The spur of the moment is not the proper time to consider a substantive amendment to an act which has served this country well for 38 years. Such an amendment requires careful study.

The gentleman from Idaho (Mr. McCLURE) said yesterday that there have been abuses of the rural electric loan program. He does not cite specific abuses, but the strongest backers of the program would concede that there may have been, in a tiny fraction of the program, a very few abuses.

But I submit, Mr. President, that what abuses may have occurred in the past are insignificant compared to what may occur if this amendment is adopted hastily.

To make 2-percent money available to every cooperative with a density of less than three consumers per mile of line would be ideal for my State. Every one of the 32 distribution cooperatives in South Dakota has a density of less than three customers per mile.

It would be good for my State, but it may not be good for other States.

There may well be instances in the Senator's home State of Oklahoma in which a cooperative may serve fewer than three customers per mile, but many of those customers may be oil pumping wells with near 100 percent load factor and very little cost of service to the cooperative.

If an electric cooperative has only one customer per mile, but one of those customers is an aluminum plant with a quarter of a million dollars in annual electric bills, the Congress may not wish to provide that cooperative 2-percent money.

I wonder if the Senator from Oklahoma can tell us how many cooperatives in the United States would qualify for 2-percent money under his amendment. I wonder further if he could tell us how many of those cooperatives are financially sound enough to pay higher rates of interest without raising retail rates to the consumer.

And I wonder how this provision would affect generation and transmission cooperatives. There is no specific mention of them in the amendment, and in many instances in Oklahoma, South Dakota, and other States, the G & T's need 2-percent money every bit as badly as do the distribution cooperatives.

What I am saying, Mr. President, is that there is merit in the amendment, but it needs to be examined in much more detail than is possible on the floor today.

I urge the defeat of the amendment.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Indiana (Mr. BAYH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The Senator from Texas (Mr. TOWER) is absent on official business.

The Senator from Tennessee (Mr. BAKER) is detained on official business.

If present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 29, nays 60, as follows:

[No. 21 Leg.]

YEAS—29

Bartlett	Cotton	Hruska
Beall	Curtis	Mathias
Bellmon	Domenici	McClure
Bennett	Dominick	Packwood
Brock	Fannin	Percy
Buckley	Fong	Ribicoff
Byrd, Harry F., Jr.	Griffin	Roth
	Gurney	Saxbe
Case	Hansen	Scott, Va.
Cook	Helms	Taft

NAYS—60

Abourezk	Hatfield	Nelson
Aiken	Hathaway	Nunn
Allen	Hollings	Pastore
Bentsen	Huddleston	Pearson
Bible	Humphrey	Pell
Biden	Inouye	Proxmire
Brooke	Jackson	Randolph
Burdick	Johnston	Schweiker
Byrd, Robert C.	Kennedy	Scott, Pa.
Cannon	Long	Sparkman
Chiles	Mansfield	Stafford
Church	McClellan	Stevens
Clark	McGee	Stevenson
Dole	McGovern	Symington
Eagleton	McIntyre	Talmadge
Eastland	Metcalf	Thurmond
Ervin	Mondale	Tunney
Fulbright	Montoya	Weicker
Hart	Moss	Williams
Haskell	Muskie	Young

NOT VOTING—11

Baker	Gravel	Magnuson
Bayh	Hartke	Stennis
Cranston	Hughes	Tower
Goldwater	Javits	

So Mr. BELLMON's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONDALE. Mr. President, as a cosponsor of S. 394, I would like to urge its prompt approval by the Senate. This measure, introduced by Senator HUMPHREY, is designed to restore the Federal rural electric and telephone direct loan programs.

On December 29, 1972, the Department of Agriculture announced that it was abandoning the REA low-interest direct loan program. In place, the administration announced it was substituting a program of 5-percent interest insured or guaranteed loans. This action, taken without prior warning to the Congress or affected borrowers, effectively nullifies the provisions of the Rural Electrification Act of 1936, the Pace amendment of 1944, and subsequent legislation appropriating money for the program. The Department of Agriculture and the White House have claimed that the Rural Development Act of 1972 provides the authority for cancellation of the REA direct loan program. But in drawing upon the Rural Development Act, the administration moved far beyond any reasonable interpretation of congressional intent. The 1972 act in no way authorizes, permits, or even alludes to a shift away from REA direct loans.

Soon after the December 29 announcement, I wired Mr. Caspar Weinberger, than Director of the Office of Management and Budget, and Agriculture Secretary Butz, urging that the decision to cancel the REA loan program be rescinded immediately. In that message I pointed out the serious constitutional questions raised by the program's termination, the lack of notice and opportunity for comment, and the strong doubts concerning the adequacy of the 5-percent insured or guaranteed loan program.

I received a reply from the White House under the signature of Mr. William L. Gifford on January 12, 1973. I ask unanimous consent that the full text of this letter be printed in the RECORD following my remarks. With it, I ask that an analysis of that reply prepared for me by the National Rural Electric Cooperative Association be printed for my colleagues in the Senate to read.

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

(See Exhibit 1.)

Mr. MONDALE. Mr. President, in his letter Mr. Gifford attempts to justify the cancellation of the REA direct loan program, stating:

> Reform of these REA loan programs will achieve multiple objectives. It eliminated direct Federal loans, thereby providing an opportunity to private lenders to finance the credit needs of REA borrowers through the use of Federal guarantees.

Had the Congress wished to create a program to assist private lenders, I submit that such a law would have been passed. However, the Congress—in the case of the Rural Electrification Act—was seeking to provide opportunities for rural communities to finance essential electric and telephone service.

One-third of the population of the United States live in nonmetropolitan areas. But half of the families below the poverty level live there. The average per capita income for all persons in rural areas is below the national level—and far below the average in urban areas. For people living in counties serviced by rural electric systems, the average per capita income is even lower.

According to figures supplied by the National Rural Electric Cooperative Association, consumers on the lines of the nonprofit rural electric systems would have to pay to commercial lenders $18.5 million next year and every year in added costs under the administration's 5 percent formula.

Mr. Gifford also writes:

> Increased lending under these programs is designed to facilitate more rapid growth in the financing that will be provided by the National Rural Utilities Cooperative Finance Corporation, the Rural Telephone Bank, and other private lenders.

But again, as NRECA points out—

> The National Rural Utilities Cooperative Finance Corporation was the creation of the rural electric cooperatives themselves to provide supplementary non-government financing on an orderly and expanded basis. The Administration's unexpected termination of the REA direct loan program pulls the rug out from under C.F.C.'s concurrent loan program with the REA and raises a host of legal problems in connection with the substitution of insured loans under the Rural Development Act.

In sparsely populated rural areas, the loss of 2-percent direct loans under the REA program jeopardizes vital electric and telephone service. Where population densities are lowest, struggling cooperatives may be unable to survive under the new 5-percent loan program. Communities in Minnesota and many other States are dependent upon these cooperatives for essential service to their residents and businesses. At stake is their immediate economic well-being and the prospects for future growth and development.

But regardless of the problem created by the administration's termination of this particular program, a much deeper and more fundamental issue is involved. If the executive branch can unilaterally cast aside the Rural Electrification Act, then which of our laws is secure?

In recent weeks, we have seen impoundments of fiscal 1973 appropriations for rural programs mount to nearly $1.5 billion. Not only the Rural Electrification Act, but also the Water Bank Act, the rural environmental assistance program, rural water, community waste disposal, subsidized housing and emergency disaster loans—all of these laws and programs have been abandoned by the executive branch without the consent of the Congress.

These actions pose a grave threat to the integrity of our laws and to the system of checks and balances against the abuse of power as provided in the Constitution.

By passing S. 394, the Congress can respond firmly to the usurpation of power rightfully vested in the Senate

and House of Representatives. This measure requires that the provisions of the Rural Electrification Act be carried out. It reaffirms the clearly expressed intent of the Congress that insured or guaranteed loan authority under the Rural Development Act may be utilized as a supplement—but not a replacement—for the REA 2-percent direct loan program.

Mr. President, I urge my colleagues in the Senate to swiftly approve this important measure.

EXHIBIT 1

THE WHITE HOUSE,
Washington, D.C., January 12, 1973.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: This is in reply to your recent telegram concerning 1973 funding for direct Government loans at 2% interest to rural electric enterprises.

On December 29, 1972, the Department of Agriculture announced that the REA electric and telephone 2% direct Federal loan programs are being converted to insured and guaranteed loan programs at somewhat higher interest rates effective January 1, 1973. This action was made possible by the enactment of the Rural Development Act of 1972 which provided very broad authorities to make guaranteed and insured loans to finance all types of community development programs.

These programs are among those selected for consideration for termination, reduction, or reform as part of the continuing review of Federal programs to identify those that are no longer needed, are relatively ineffective, are excessively costly in terms of their results, are of relatively low priority, or are unnecessary as direct Federal activities because their objectives can be well served by private or State/local action. This review was intensified as part of the effort to hold 1973 Federal budget outlays to $250 billion and keep the outstanding public debt within the statutory limit of $465 billion through June 30, 1973.

Reform of these REA loan programs will achieve multiple objectives:

It eliminates direct Federal loans, thereby providing an opportunity to private lenders to finance the credit needs of REA borrowers through the use of Federal guarantees.

It substitutes interest rates more attuned to today's lending rates for the outmoded 2% rate which was established in the mid 1930's when the corresponding Treasury borrowing rate was less than 2%.

Since insured and guaranteed loans will not have a substantial impact on the budget and on the public debt, it will be possible to provide increased loan resources for REA borrowers within the President's $250 billion spending goal for FY 1973, and budgetary stringencies in future years need no longer restrict the availability of capital for these cooperatives.

Increased lending under these programs is designed to facilitate more rapid growth in the financing that will be provided by the National Rural Utilities Cooperative Finance Corporation (CFC), the Rural Telephone Bank, and other private lenders.

Effective January 1, 1973, all REA loans will be made as guaranteed and insured loans under the authority of Section 104 of the Rural Development Act. In order to meet more fully the needs of REA borrowers, an additional $200 million in loan authority will be made available over and above current allocations. This will provide a total loan authority of $618 million for rural electric loans and $145 million for rural telephone loans in fiscal year 1973. These funds are in addition to loans available to REA borrowers from private sources.

Loans to electric and telephone cooperatives will be made on an insured basis at 5 percent interest. (Guaranteed loans also will be available to electric cooperatives where private capital is available on advantageous terms.) This rate is still substantially lower than the comparable yield on long-term Treasury securities, and even lower than commercial credit rates. Loans to commercial power companies and commercial telephone companies will be guaranteed at market rates of interest. Guaranteed and insured loans under the Rural Development Act will supplement the availability of credit from the private electric bank—"CFC", the Rural Telephone Bank, and other private lenders.

Many details of this transition from the authorities of the Rural Electrification Act of 1936, as amended, to the authorities of the Rural Development Act will require time to work out. Borrowers and other interested parties will be advised of the necessary changes in loan requirements and loan processing as rapidly as possible. Every effort will be made to expedite these new programs in order to meet the expanding needs of REA borrowers.

I hope that the foregoing satisfactorily explains the reasons for the actions being taken on these programs.

Sincerely,

WILLIAM L. GIFFORD,
Special Assistant to the President.

NATIONAL RURAL ELECTRIC
COOPERATIVE ASSOCIATION,
Washington, D.C.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I hope the enclosed analysis of points raised in Mr. William L. Gifford's letter of January 12, 1973, concerning termination of the REA direct loan program for rural electric borrowers, will be helpful. Please give me a call if you find additional information is needed.

Sincerely,

ROBERT D. PARTRIDGE,
Executive Vice President.

Enclosure.

ANALYSIS OF POINTS CONTAINED IN LETTER DATED JANUARY 12, 1973, AND DIRECTED TO SENATOR WALTER F. MONDALE BY WILLIAM L. GIFFORD, SPECIAL ASSISTANT TO THE PRESIDENT

Page 1, paragraph 5: "It eliminates direct Federal loans, thereby providing an opportunity to private lenders to finance the credit needs of REA borrowers through the use of Federal guarantees."

The Administration's concern in "providing an opportunity to private lenders" is duly noted, but in this period of high interest rates the money lenders seem to be doing very well for themselves without more opportunities being funneled to them by the White House. The Congress has been interested in reserving some opportunities for people who live and work in the rural areas of America, where the need for economic backing continues to be critical.

Census returns demonstrate that although only about one-third of the population live in non-metropolitan areas, half of the families below the poverty level live there. The average per capita income for all persons in rural areas is below the national level and far below the average in urban areas. The average per capita income for all persons living in counties served by rural electric systems (REA borrowers) is even lower.

The Administration's "opportunity to private lenders" simply means that consumers on the lines of the nonprofit rural electric systems will dig out of their pockets $18½ million more next year and every year to pay the commercial moneylenders. This is the difference between the REA 2% interest rate which goes into the U.S. Treasury and the Administration's 5% rate under the Rural Development Act which goes to the "private lenders," based on the announced $618 million program. If that loan level and interest rate should be maintained, then rural users of electricity will have similar increments of additional interest added to their electric bills each year so that ten years from now the additional levy for the benefit of Wall Street amounts to more than $185 million per year.

Page 1, paragraph 6: "It substitutes interest rates more attuned to today's lending rates for the outmoded 2% rate which was established in the mid 1930's when the corresponding Treasury borrowing rate was less than 2%."

Aside from the merits of a 2% interest rate—that the Office of Management and Budget chooses to overlook—the REA loans program and the 2% interest rate on those loans was determined by the Congress and has been maintained by the Congress on the basis of careful and detailed annual review of the program and its capital needs. Neither the White House staff nor the President himself has the prerogative of setting aside those laws and programs it chooses not to administer. Under the historic balance of powers provided in the Constitution, the proper course of action would be for the President to recommend to the Congress "interest rates more attuned to today's lending rates."

Page 1, paragraph 7: "Since insured and guaranteed loans will not have a substantial impact on the budget and on the public debt, it will be possible to provide increased loan resources for REA borrowers within the President's $250 billion spending goal for FY 1973, and budgetary stringencies in future years need no longer restrict the availability of capital for these cooperatives."

Somebody on the White House staff is engaged in some cloudy thinking. The insured 5% interest loans program announced by the Administration has about the same impact on the budget and on the public debt that the REA 2% direct loan program had. The chief difference is that the benefit goes to the "private lenders" instead of to rural consumers of electric service.

The difference between 5% interest charged to the nonprofit electric systems and the market rate which lenders will charge will have to come out of the U.S. Treasury, and it will be every bit as great as the difference between the 2% interest rate on REA direct loans and the cost of money to the U.S. Treasury. If there is a subsidy involved in interest rate differentials, this is now a subsidy for Wall Street instead of for rural people.

Page 2, paragraph 1: "Increased lending under these programs is designed to facilitate more rapid growth in the financing that will be provided by the National Rural Utilities Coperative Finance Corporation (CFC), the Rural Telephone Bank, and other private lenders."

The National Rural Utilities Cooperative Finance Corporation was the creation of the rural electric cooperatives themselves to provide supplementary non-Government financing on an orderly and expanding basis. The Administration's unexpected termination of the REA direct loans program pulls the rug out from under CFC's concurrent loan program with REA, and raises a host of legal problems in connection with the substitution of insured loans under the totally different Rural Development Act which was not created in Congress for this purpose.

If the Administration sincerely desired "to facilitate more rapid growth in the financing that will be provided by . . . (CFC)," then it needed only to implement the ad-

visory language on the use of deferred repayment of principal on REA loans, contained in every Agricultural Appropriations Committee report since 1970:

"The conference on the 1971 appropriation bill also provided the following language in its report:

" 'The Conferees have considered the differences in the language contained in the House and Senate Committee reports recommending that the REA Administrator defer repayments of principal on certain rural electrification loans. After careful consideration of the Comptroller General's letter, dated September 28, 1970, addressed to the Secretary of Agriculture, the Conferees are in agreement that there is authority in Sections 4 and 12 of the Rural Electrification Act to follow both the House and Senate Committee recommendations, and that the Administrator, where he finds the financial condition of a borrower is sound and where the Government's interest is adequately safeguarded, may, in exercising such authority, proceed as follows: (a) by deferment of repayments of principal on outstanding loans for a period of three years in addition to any previous periods of deferment: and (b) by deferment period normally granted on new loans made after the date of this report for a period of three years in addition to the deferment period normally gratned on new loans under pre-existing practice. Such deferments may be made to meet local needs or where desired by REA electrification borrowers to voluntarily invest amounts equivalent to the amounts of principal to be so deferred in securities of the National Rural Utilities Cooperative Finance Corporation. It is expected by the Conferees that the REA Administrator will report to the House and Senate Committees actions taken by the REA Administrator pursuant hereto when he appears before the Committees to be heard on appropriations for REA for fiscal year 1972.' "

Page 2, in paragraph 2: "In order to meet more fully the needs of REA borrowers, an additional $200 million loan authority will be made available over and above current allocations. This will provide a total loan authority of $618 million for rural electric loans . . ."

Congress already had appropriated $595 million for REA direct loans in fiscal year 1973. The difference between that figure and the one announced by the White House is $23 million, not $200 million. In any event, the delay in the loan-making process brought about by the Administration's abrupt termination of loans under the Rural Electrification Act makes full use of $618 million by June 30 unlikely.

AMENDMENT NO. 17

Mr. McCLURE. Mr. President, I call up my amendment No. 17.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CURTIS. Mr. President, may we have order?

Mr. McCLURE. I ask unanimous consent——

Mr. CURTIS. Mr. President, the Senate is not in order. There are conversations taking place in many parts of the Chamber. The distinguished Senator from Idaho is entitled to be heard on his amendment.

The PRESIDING OFFICER. The Senator's point is well taken. Senators will please take their seats, and let us have order in the Chamber.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment he dispensed with.

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

Mr. McCLURE's amendment (No. 17) is as follows:

On page 2, line 20, after "3", insert "(a)".

On page 3, between lines 3 and 4, insert "(b)", as follows:

"(b) Section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, all loans made under this section shall be made as follows:

" '(1) A qualified borrower shall be entitled to a direct loan on the total amount of the approved loan at a rate of 2 per centum per annum if, on the basis of the time interest earned ratio and the debt service coverage prescribed in REA Bulletin 20–14 (as in effect in July 1972), the time interest earned ratio of such borrower is less than 1.5 or the debt service coverage of such borrower is less than 1.25.

" '(2) A qualified borrower, if the time interest earned ratio of such borrower is 1.5 and above and the debt service coverage is 1.25 and above, shall be entitled to loans in the following amounts, based on the plant revenue ratio as defined in REA Bulletin 20–14 (as in effect in July 1972):

" '(i) a direct loan at a rate of 2 per centum per annum for one-half of the amount of the approved loan and an insured loan at a rate of 5 per centum per annum for one-half of the amount of the approved loan, when the plant revenue ratio is 9.01 and above;

" '(ii) a direct loan at a rate of 2 per centum per annum for one-fourth of the amount of the approved loan and an insured loan at a rate of 5 per centum per annum for three-fourths of the amount of the approved loan, when the plant revenue ratio is 8.01 to 9;

" '(iii) an insured loan at a rate of 5 per centum per annum for the total amount of the approved loan, when the plant revenue ratio is 8 and below.' "

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I shall be very brief. I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Idaho may proceed.

Mr. McCLURE. The purposes of this amendment were stated by me in general debate on the bill yesterday, and I shall take very little time to explain it further, but, just as the Senator from Oklahoma, by the amendment just defeated, was seeking a means by which we can guarantee to the people of this country the extension and not the end of an REA loan program, so my amendment seeks to do the same thing, but in a different way. It seeks to find a formula by which we can guarantee that the Federal taxpayers' money in the 2-percent loan fund is used only where it is necessary to meet the needs of the Rural Electric cooperatives that seek this kind of financing, and to provide a flexible formula for the blending of the 2-percent loan and the 5-percent loan funds up to the point where the REA is sufficiently strong financially to be able to pay the market interest rate.

If there has been criticism of the REA loan program as we know there has been, it has been in the area where we have granted loans that were not justified by the necessity and need of the REA. There are some REA's and some 6 percent of them, about 88 in the United States, that are in such financial condition that they desperately need this assistance, and it should be made available to them. There are others that do not need it. We should not ask the taxpayers to pay the bill to give all those who are in those groups that do not need the assistance and all those that fit between the two extremes that have the degree of need which is measurable and which the formula contained in my amendment seeks to measure and to guarantee. The purpose of the amendment is to guarantee that they will not be deprived of the funds while Congress and the administration debate the question of constitutional jurisdiction, a question which by necessity would end up before the Supreme Court.

Without my proposed amendment, I believe that S. 394 will be vetoed. Assuming, even after long debate, requiring considerable time, that the veto could be overridden, can Congress guarantee that funds will become available?

My amendment is offered based on two assumptions. One, that it will meet the desire for necessary budget expenditures, thereby guaranteeing executive support. Two, that the 5-percent insured loans promised by the administration will indeed exist at the time they are required.

If either of the two assumptions is proved incorrect, then Congress will have, in my opinion, no choice but to engage in a necessarily protracted debate with the administration, with the rural electric cooperatives being hurt in the meantime.

For that reason, I urge support for this amendment so that we can meet both the need to fight inflation and the need to fight inflation and the need to strengthen rural America.

Mr. HANSEN. Mr. President, will the Senator from Idaho yield?

Mr. McCLURE. I yield.

Mr. HANSEN. I thank my distinguished colleague from Idaho. I am pleased indeed to offer my support to his amendment. I think it should be understood by everyone in this Chamber that if we are really concerned for what this bill strives to do for the REA cooperatives, there is every reason to support the amendment of the junior Senator from Idaho (Mr. McCLURE).

I say that because his amendment provides that for those REA cooperatives able to demonstrate an inability to pay 5 percent and remain in business, they will be assured that 2-percent money will be made available to them, as it has been for 30-some-odd years.

It was back in the early 1930's when the 2-percent interest rate on REA loans became effective. At that time, the prime rate was about 1.9 percent. There has been no change over the period of more than three decades in that interest rate.

With the size of the imbalance in the budget, with the enormous demands placed on the taxpayer's dollar for many programs throughout America, there is no longer any valid reason to think that this interest rate should continue for REA cooperatives that have the ability to pay 5 percent. That is still a great rate, and it is a far lower rate than is available in the common market for any

ordinary kind of business. It does face up to the problem that is so much not only on the mind of the President of the United States, but also on the minds of countless millions of American taxpayers who know perfectly well what uncontrolled inflation means.

If we are going to get a "handle" on our spending and be able to exercise some discernment on priorities that the public now demands, I think there is every reason to support the amendment offered by the distinguished Senator from Idaho.

I say that as one who happens to own one share of REA stock. My little town in western Wyoming is serviced by the Lower Valley Power & Light. Less than 3 weeks ago, as I recall, there were a number of people in my office from all over Wyoming representing various cooperatives, and I told them then that I would support any effort to assure assistance for the cooperatives in my State and throughout the country that are unable to pay 5 percent on the moneys available to them through the loan program. That is precisely what the pending amendment would seek to do.

I suspect there will be some votes—I hope not many—but undoubtedly some will be cast against this amendment, not because it is without merit, not because it does not answer the tough problem that is being posed by the REA cooperatives in this country, but rather by those who seek a confrontation between Congress and the President of the United States.

There are those who place politics ahead of national need. I do not think there is any question, in this instance, but that the pattern seems to be developing, as I read the newspapers, that there are those who seek a showdown with the President, who want to insist that it shall be the responsibility of the executive branch of the Government to spend all of the moneys appropriated by Congress.

Let me say to those persons who cling to this point of view that they do not read correctly the feelings and the sentiments of the average taxpaying citizen of this country.

I think there is no doubt at all, Mr. President, that the majority of Americans are solidly behind the President of the United States in his tough fight to bring down spending to a sizable proportion so as to halt or slow down the wild fires of inflation.

I therefore hope that we can rise above politics. I hope that we will be able, this afternoon, on this vote now, to address ourselves to the larger problem that concerns all 208 million Americans, in taking all such steps as now are afforded to us to see that we act in a responsible manner, to see that we make certain that the fine programs implemented by the REA over the years shall not be slowed down, to insure that they shall be properly funded, but not to require the President by mandate to regardless of need spend all of the money that is made available to him as this bill unamended would. I think that this bill, with the McClure amendment in it, will be a step in the direction that most Americans will say will serve the highest public interest.

I urge my colleagues to give the McClure amendment their support.

Mr. McCLURE. I thank the distinguished Senator from Wyoming for his remarks.

I now yield to the senior Senator from Colorado (Mr. DOMINICK).

Mr. DOMINICK. I thank my friend from Idaho. My colleagues, some years ago, in my State, and I am sure it is true in other States, there was a considerable battle going on between the REA's and the public utility companies, the so-called private investment companies.

It was a distressing thing to me because what was creating this fight was the fact that areas which the private investment companies had not been willing to serve before, because of a low-population ratio, was being filled with people, at which point they wanted to get in, and that was an area where the REA's had served before.

In order to try to bring this thing to a head, I had the audacity—I suppose one would say—to introduce a bill which would have abolished all 2-percent interest money. The REA's, predictably, gave me a real blast. I went to the State meeting and reported on the bill, pointing out to them that the American people were providing 2-percent money out of their tax money, for which the Government was borrowing at a rate of more than 6 percent, and a private citizen could not get a loan for less than 8 percent; that over a period of years there was little or no doubt in my mind that the 2-percent money was eventually going to be killed off.

I recommended to them at that time that they start looking into the methods of setting up a bank such as the Farmers Loan Bank and that they start doing other things of this nature to find alternative sources of funding for the REA, as opposed to just the 2-percent money. To my surprise, I found that at least 50 percent of the membership of the REA's who were present at this meeting were in agreement with me.

Recently, following the proposed cutbacks in the loan funds, I had a meeting with my own State REA people. I reported again that we were going to have problems with the 2-percent money, and I pointed out to them what I hope other States have done—I do not know how many have done so. In our State we have created, under our public utilities commission, franchise areas. The State, in other words, is growing sufficiently strong so that each of the REA's has its own area to work in, and a private utility company has its own area; and if one of them wants to expand into another area, it has to go through the State commission in order to get permission to do so.

This has cut down very largely on the fights between the REA and the private investment companies. But it has not—if I may say so—cut down on the degree of disagreement that has existed, as has been pointed out so ably by the Senator from Wyoming, on the use of 2 percent money at a time when the Government is paying a great deal more than that in order to get the funds together just to provide the necessary resources for the rest of the governmental structure.

The present head of the administration of the REA, Mr. Hamil, is from my home State. He is a very fine administrator. He has been working for years to try to find a method of distribution of funds which would be of assistance to those REA's which need 2 percent money and which would provide other sources of funding for those which do not.

It is my understanding that the present formula that is being used down there—and this is what I wanted to make sure of from the Senator from Idaho—is substantially along the lines of the amendment presented here. Is that correct?

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. CURTIS. Mr. President, I yield the distinguished Senator from Colorado 5 minutes on the bill.

Mr. McCLURE. I thank the Senator for yielding.

I say to the Senator from Colorado that the formula used here uses the same three criteria in the same way that has been worked out between the REA and CFC. The CFC funds are not directly involved in this amendment; but the blend which was created in the formula between REA and CFC is blended between REA 2 percent and 5 percent moneys upon exactly the same criteria.

Mr. DOMINICK. So, in effect, what the Senator is doing is using a formula which has worked quite adequately between CFC and REA, and using it in terms of 2 percent and 5 percent money.

Mr. McCLURE. That is correct. It was a formula worked out between REA and CFC, and it has the support of the Rural Electric Cooperatives.

Mr. DOMINICK. I think that is important, and I think it ought to be emphasized—namely, the formula has the support of the REA cooperatives.

It is a formula which is not new. It is a formula which has been used before. It is a formula which does take into account the demands on the tax funds which people are paying into this Government day by day and month by month.

It seems to me perfect nonsense for us to be putting up a debt limit and then raising it every year, and sometimes twice a year—and it then does not become a debt limit; and in order to finance that debt, we go out and borrow from our own taxpayers at a rate which is far higher than that at which we are giving money away. It does not seem to me that we ought to be doing that any longer, particular when we do not absolutely need to do so.

I am happy to support this amendment.

Mr. HUMPHREY. Mr. President, I yield to the senior Senator from Minnesota.

Mr. MONDALE. Mr. President, I asked for a minute or two of my distinguished colleague's time to join, in the strongest possible terms, in support of the Humphrey measure.

I do not know of any program in our State that enjoys a broader or a deeper bipartisan support than our Rural Electrification Program. As a result of it, Minnesota was privileged—as most States have been—to have modern, low-

cost electrical service into areas which were not served before. The need for our rural electrification assistance 2 percent loan program is just as important today as it was the day the program was created. Because of the increased demand for electricity, the increased demand for modernization of electrical service is just as compelling and as necessary in rural America as it was 30 years ago.

If this program is damaged, if the 2 percent money is largely denied or eliminated, it means that the areas that need it the most—virtually all the rural areas of Minnesota and most States—will not be served in the way they must be served if family farming and rural America are to have a chance to survive and to prosper.

This is a modest program. It is a small program. It does not bulk large in the budget at all. If rural electrification as we have known it is destroyed, I think that, more than anything else Congress or the Executive can do, it will be an eloquent, unquestioned statement by the American Government that we have decided, finally and officially, to turn our back on rural America. I will not stand for it. I intend to do all I can to support the Humphrey measure.

The second point is that the manner in which it was done raises the profoundest constitutional issue. If the President of the United States possesses power which permits him to deal with congressional enactments as though they were simply advisory in character, if he can eliminate, alter, delete, or obliterate a program at his option, unilaterally, as though he has some sort of imperial power which exceeds those found in the Constitution, then we have a different system of government, a presidential system of government, not a representative system of government, as I have thought, and as I think a plain and clear reading of the Constitution suggests.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I yield 1 additional minute to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. MONDALE. So it is not only a question of blocking an attempt to turn this Nation's back on rural America, but it is a more fundamental principle of whether we have a representative system of government.

For that reason, I hope the resolution will be adopted without change.

Mr. HUMPHREY. Mr. President, I yield to the Senator from Vermont, who is a cosponsor of the bill.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, when we vote in the Senate we base our decision on what would be the effect of the proposal on the people of our own States.

In this case, I have to report that the REA members in my State have an investment in their plant and system which is far, far in excess of the investment of the average person who buys power from a private utility company. That was the original reason for the lower rate of interest, that is the reason now, and that is the reason I voted against the Bellmon amendment, although I realized it would be applicable in some parts of the country; it would not be helpful to the REA people of my State who are doing such good work in the rural areas. So for the same reason I will support them and not vote for the McClure amendment. But I realize that would be applicable in some areas, also.

I think there is serious defect in the bill before us. Section 5 of the legislation is good. The President or the administration was wrong in basing its decision to raise the interest rate by using the Rural Development Act of 1972 which was not intended for any such purpose at all. However, I shall ask the chief sponsor of this measure, the Senator from Minnesota, for an explanation of another part of the bill when the proper time comes.

In the meantime, I am supporting the REA subscribers in my own State who have invested, I guess, at least 50 percent more than the average person who purchases power from private utility companies.

So I just wish to say why I am voting against the amendment. I will ask the chief sponsor of the measure to explain another section of the bill later.

Mr. HUMPHREY. Mr. President, I thank the distinguished Senator from Vermont for his expression of support and his expression of interest in the bill. Of course, it is weighed very carefully and it has a very solid impact on the thinking of the Members of this body.

It is my judgment that the amendment before us is highly undesirable and I address myself to that amendment. I thank the Senator from Vermont for his statement relating to the amendment of the distinguished Senator from Idaho and the opposition to it.

I rise in opposition to the amendment of my distinguished colleague, the Senator from Idaho (Mr. McCLURE). This amendment would first make borrower eligibility for supplemental financing a matter of statutory requirement instead of administrative requirement, thereby removing any flexibility the Administrator now has with respect to establishing such requirements.

It should be noted here that the present law permits the Administrator of Rural Electrification to provide for what we call the mix between 2-percent money and supplemental financing. That is being done and it will be done in the future if this program is preserved. The simple truth of the matter is that the action of the Department of Agriculture is to kill off, to terminate, to obliterate, to put a cease-and-desist order upon 2-percent money. So what we are really talking about here is whether or not we are going to continue a program that will afford us a so-called interest rate furnishing moneys between 2-percent money and money in the conventional money markets; as is now provided, for example, through the Cooperative Financial Corporation. That is set up entirely by REA cooperatives themselves. CFC goes into the private money market and gets substantial amounts of money to provide borrowers with the means to continue development and modernization of REA services and facilities. That money was purchased at conventional or market rates of interest, mixed with the 2-percent money. The report of the committee on pages 11, 12, and 13 describes the present regulations. Those regulations are within the intent and purpose of the law on the statute books.

Mr. Hamil, the Administrator, administers those regulations.

Also the amendment of the Senator from Idaho presumes that 5-percent loans under the Rural Development Act will become available, a matter which even the Department of Agriculture's own legal counsel questions at this point. As the Senator from Vermont made clear, credit under that set whether insured on guarantees, was not designed to replace credit made available under the REA Act.

It was designed for other purposes. Section 5 of the bill before us makes it very clear that rural development funds are supplemental, in addition, to REA funds, rather than in lieu of or in place of REA funds.

Furthermore, the McClure amendment would substantially reduce the amount of 2 percent loan money that could be made available to various classes of borrowers. Borrowers with a plant revenue ratio—PRR—of 9.01 and above would be eligible for only 50 percent of 2 percent money, as opposed to a current level of 90 percent. That group of clients consists of one or two customers per mile. If we are going to impose 50 percent of rural development funds on that group, we are going to put them out of business. Obviously, the Administrator thought so, because he promulgated the present regulation, which shows 90 percent of 2 percent money and 10 percent of what we call supplemental or outside financing. So the McClure amendment would basically alter that provision.

Let us look at another group. Borrowers with a blend of 8.1 to 9 would be eligible for only 25 percent of 2 percent money as opposed to a present level of 80 percent, and those with a PRR of 8 or below would not be eligible for any 2 percent loan money at all. Applying that rule to this class of borrowers would mean that 54 percent of all present REA borrowers would be denied access to any 2 percent money. No private utility can operate with any 4 or 5 customers per mile. That is why we have been able to come to some understanding between private utilities and the REA. In my State, we have a very good working relationship.

What is would be done by this amendment would be to put into statutory law a total revision of present regulations. We would put into statutory law a mix of interest rates on money without giving the administrator any flexibility to deal with particular situations which may come before him. To do that would be most unfortunate. A matter of this complicated nature requires more than a few minutes of debate in the Senate. It requires extensive hearings. We should hear the General Counsel of the Department; the finance officers of the Rural

Electrification Administration; we should hear from the rural electrics and rural telephone borrowers themselves.

Again, this amendment does not correct any of the current problems being created by the Administration's action with respect to the rural telephone program. The rural telephone program is now dead, unless we pass the bill before us. I do not care what kind of case is made; the rural telephone program is dead. The law already says there has to be a mix of 2 percent and 4 percent money for rural telephones, 4 percent through the telephone bank and 2 percent from REA funds. This amendment does not address itself to that problem at all.

I would hope that we would not debate an amendment of this consequence, this importance, at this juncture in the deliberations on the bill.

THE PRESIDING OFFICER. All time on the amendment has expired.

Mr. DOLE. Mr. President, will the Senator yield me a minute on the bill?

Mr. HUMPHREY. I yield to the Senator from Kansas 1 minute on the bill.

Mr. DOLE. I wish to say, in response to the Senator from Minnesota, that I think the amendment offered by the Senator from Idaho has great merit.

I think the best course has been suggested, and that is that we will be considering new legislation in this field; that the effort of the proposal by the Senator from Minnesota and other cosponsors—some 54 cosponsors—is to demonstrate that we believe the program should go forward as is. I have no quarrel with the admendment, but I believe it is in our best interest to pass the measure before us without amendment.

Mr. McGOVERN. Mr. President, the amendment suggested by the Senator from Idaho (Mr. McCLURE) would accomplish some of the same objectives as sought by the earlier amendment. It would do so in a much more complicated manner.

I wonder whether the Senator from Idaho can tell us how many cooperatives, under his formula, would qualify for full 2-percent funding, how many would qualify for half 2 percent and half 5 percent, how many would qualify for the 75–25 split, and how many would have to pay the full 5 percent.

It may be that the proposal is meritorious, but it should be studied in depth. That is what I propose to do in my Subcommittee on Agricultural Credit and Rural Electrification.

We would be most pleased to have the Senator from Idaho bring this proposal to our subcommittee, buttressed by hard facts and an explanation of how it would work.

But the amendment should be defeated today, both because we have had insufficient time and opportunity to examine it, and because it is peripheral to the central issue before us today. That issue, I remind my colleagues, is whether the administration can abrogate an act of Congress in the manner in which it has killed the rural electric and telephone loan program.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho. On this question the yeas and nays have been ordered.

Mr. CURTIS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 48 minutes on the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CURTIS. Mr. President, I beg the Chair's pardon. Was the request for the vote on the amendment?

THE PRESIDING OFFICER. Yes.

Mr. CURTIS. I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. McGEE), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. MAGNUSON), and the Senator from Indiana (Mr. BAYH) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The Senator from Texas (Mr. TOWER) is absent on official business.

The Senator from Tennessee (Mr. BAKER) is detained on official business.

If present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 24, nays 63, as follows:

[No. 22 Leg.]

YEAS—24

Bartlett	Domenici	Packwood
Bennett	Dominick	Percy
Brock	Fannin	Ribicoff
Byrd, Harry F., Jr.	Fong	Roth
	Griffin	Saxbe
Case	Hansen	Scott, Va.
Cook	Helms	Taft
Cotton	Hruska	
Curtis	McClure	

NAYS—63

Abourezk	Dole	Kennedy
Aiken	Eagleton	Mansfield
Allen	Eastland	Mathias
Beall	Ervin	McClellan
Bellmon	Fulbright	McGovern
Bentsen	Gurney	McIntyre
Bible	Hart	Metcalf
Biden	Haskell	Mondale
Brooke	Hatfield	Montoya
Buckley	Hathaway	Moss
Burdick	Hollings	Muskie
Byrd, Robert C.	Huddleston	Nelson
Cannon	Humphrey	Nunn
Chiles	Inouye	Pastore
Church	Jackson	Pearson
Clark	Johnston	Pell
Proxmire	Stafford	Thurmond
Randolph	Stevens	Tunney
Schweiker	Stevenson	Weicker
Scott, Pa.	Symington	Williams
Sparkman	Talmadge	Young

NOT VOTING—13

Baker	Hartke	McGee
Bayh	Hughes	Stennis
Cranston	Javits	Tower
Goldwater	Long	
Gravel	Magnuson	

So Mr. McCLURE's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I yield 15 minutes to the distinguished Senator from North Carolina (Mr. HELMS).

Mr. HELMS. Mr. President, the question before the Senate today is not one of who favors rural electrification. We all do, and certainly the junior Senator from North Carolina does.

The real question, and a great many taxpayers are raising it, is whether the Congress can really justify, in this time of great economic crisis, 2-percent Federal loans to cooperatives at a time when the Federal Government is paying three times that much on the money it will have to borrow in order to turn around and lend it to the cooperatives.

Much has been said about the national need for rural electrification. So that the record may be clear, Mr. President, let me reiterate—as emphatically as I can—that I favor taking electricity to every farm that yet needs it. At the same time, Mr. President, I feel that we should be realistic, and not be misled about the situation as it exists today. In 1936, only 10 percent of U.S. farms had the benefit of electricity; today 98 percent of the United States has been electrified. This is a job well done, in which all Americans can take pride. The face of America has been changed; there is no doubt about the record. But the same record also shows that the job has been completed, for all practical purposes.

We are living in changing times, and REA has become part of those changing times. As recently as 1950, 80 percent of all electric connections made by REA-financed co-ops were for farms. By the end of 1971, only about 19 percent of all electrical connections were for farms. Nonfarm residential connections accounted for 71.6 percent—close to three-quarters of REA-financed co-op customers. Commercial and industrial connections accounted for 6.6 percent of the customers. Irrigation took 1.3 percent of the connections, and other uses, such as churches, schools, and so forth accounted for the other 1.4 percent.

The pattern which is emerging is clear: Rural America is becoming suburban America. It is true that many co-ops still serve communities overwhelmingly devoted to farming. But more and more the need for expansion is generated by the outreach of suburbia, and the flight of urbanites from the crime-ridden cities

into the relative peace of rural America. Nobody likes to pay more money for anything, particularly when they have been getting a free ride. However, I think that suburbanites are proud enough to pay their own way.

Now there has been much talk emphasizing that the REA Act was for rural electrification, and was not intended only to service farms. The implication is that the burgeoning record of new suburban customers of rural electric cooperatives is perfectly justified. This interpretation simply does not fit with the original intent of Congress in passing the act.

If anyone takes the trouble to look up the original Senate report of February 17, 1936, the intention of the lawmakers was spread upon the record. I quote:

> Experience shows that nothing can be more beneficial to the farmer and that nothing will add more to the comfort, satisfaction, and happiness of the rural population than the electrification of farm homes. As a matter of fact, the farmer should become, and undoubtedly will become, a much better consumer of electricity than the dweller in the city. The farm home has use for all the electrical appliances which can be used by the city dweller, but, in addition thereto, he has many uses for electric power which the city dweller does not have. In fact, these special uses constitute one of the chief reasons why electrification on the farm brings more satisfaction than the electrification of the city home. If the price of electric current is made reasonable, the farmer will use much more electricity than will the city dweller.

Mr. President, I remind Senators that this is the language of the 1936 report, and I emphasize the continuous and repeated use of the word "farmer" in connection with this act.

I continue to read:

> There are numerous uses to which the farmer can apply this power which have no application in the city. In addition to all the uses which are applicable to the city home, the farmer uses electric power for grinding feed, pumping water, and performing a hundred other services, thus avoiding the drudgery and labor which so often makes life in the farm home undesirable, as compared with life in the city.

Mr. President, the REA Act did not contemplate suburban electrification for the simple reason that suburbia is a modern phenomenon.

The purpose of the REA Act was straightforwardly to get electricity on the farm. I submit that we have already put electricity on the farm. The REA co-ops are now adding customers at the high-density rate of 14 per mile. This quite strongly supports my contention that the area of maximum potential for co-op expansion lies in the drift toward suburbia, and is in fact being accomplished there.

Nor is this the only fact we learn from looking up the intention of the lawmakers of 1936. Much is being made today of the need to subsidize the REA co-ops with low-interest rates. It is even said that some co-ops will go bankrupt or into the red if 2-percent loans can no longer be made. At the present time, the annual Federal subsidy amounts to over $240 million. We are told that there are some 88 co-ops that are in such shaky financial condition that they can not even qualify for outside loans and rely wholly on REA.

I will go into this problem in a moment, but first, I want to touch upon the congressional intent as to subsidies. To be blunt, it was never intended that REA should operate its loan program upon a subsidy basis. The House report said flatly:

> No grant or subsidy is provided for in the bill.

In the congressional debate of 1936 the Senate bill provided that the rate of interest be not more than 3 percent per year; the House bill provided that the rate of interest be not less than 3 percent per year. The conference report provided a compromise in which the interest rate would be equal to the average rate of interest payable by the United States of America on its obligations, having a maturity of 10 or more years after the dates thereof, issued during the last preceding fiscal year in which any such obligations were issued. In other words, the original intent was that the interest rate be roughly comparable to the cost of money borrowed by the Federal Government.

Mr. President, the financial picture of the United States has changed somewhat since the depression years of the thirties. There is no longer much 2-percent money going around. There is no need to continue a subsidy long after the need for a subsidy has passed, and certainly when no subsidy was intended in the first place.

Nor can it be said that money will be unavailable for electrification purposes. The effect of the present annual $240 million subsidy was actually to make less credit available from Federal sources, because of the crisis of the budget situation. By channeling Federal funds through the Rural Development Act, the administration has actually expanded the amount of credit available to rural electric cooperatives. RDA provides for insured and guaranteed loans, financed by private lenders, thereby enlarging the credit pool. Total Federal loans for electric and telephone co-ops will be $200 million larger than earlier planned by the President for both 1973 and 1974. The loans will total about $760 million, since Federal costs are lower.

Of course, Mr. President, a 5-percent loan is not as favorable as a 2-percent loan. But, Mr. President, there are millions of American taxpayers—the people who pick up the tab for all Federal subsidies—who would be delighted to be able to borrow at 5 percent. The question, then, is whether rural electric cooperatives need—and the proper word may very well be deserve—the favoritism of 2-percent loans.

I am aware of all the arguments. I know that one can always find exceptions—cases of mismanagement, extreme economic conditions, fluctuating power costs. Yet even on the official record, only 88 co-ops have been cited as not strong enough to obtain non-REA financing under present regulations. This is 88 co-ops out of 1,094 active REA borrowers. At the other end of the extreme you find affluent co-ops that actually subscribed their surplus funds to the Rural Utilities Cooperative Finance Corporation to be lent out again at 7¾-percent interest.

During the subcommittee hearings on this bill, I asked Mr. Robert D. Partridge, executive vice president of the National Rural Electric Cooperative Association, to submit to me examples of financial statements of co-ops whose solvency was endangered by the loss of future—I emphasize the word "future"—2-percent loans. Mr. Partridge declined to back up such claims. In a letter to me he wrote as follows:

> Rural electric systems share with all other business enterprises an abhorrence of any prediction of their bankruptcy. Hence, it would not be appropriate—even if possible—for me to supply a list of endangered rural electric enterprises.

Mr. President, I can see why any co-op would be reluctant to have the spotlight of publicity turned upon itself in such a context. Nevertheless, co-ops are public institutions. If the industry claims that some of its members are endangered by the administration's actions, then certainly there must be some co-ops whose management is so flawless and whose circumstances are so much the result of outside circumstances that this claim be substantiated.

However, I was able to get a few financial statements on my own initiative, although not in time to do an exhaustive analysis of them all. Choosing one at random, however, I note that its quality of management is not remarkable. In 1972, it budgeted a deficit of over $28,000. This strikes me as a rather unusual procedure—to budget a deficit. This co-ops' cost of purchased power as a percentage of total expenses increased from 39 percent to 46 percent from 1971 to 1972. Since the power companies that sold the power were under price controls and could not have increased the cost per unit, this increased percentage is not easily explainable.

I also note that 13 percent of the co-ops' hookups were idle during 1972. This is awfully poor planning, or bad luck, one or the other. Another problem with this co-op—a major problem—was its extremely high rate of capital investment—over 10 percent of the total investment in the utility plant was made during 1972. Furthermore, maintenance, renewal, and replacement deficit was extremely high during 1972, indicating poor planning for future potential. Finally, this co-op has made long-term investments out of short-term financial sources. It is no wonder that they have problems.

I bring this forward for the light it sheds as a specific example. I do not generalize, nor have I had the time to do more than a hasty examination. At the same time, I wonder about the quality of management these marginal co-ops are getting. The average manager's salary for the dozen co-ops I examined was nearly $18,000. Some ran in excess of $21,000.

At any rate, I can hardly believe that a rise in the interest rate for a portion of new obligations will make or break our co-ops at this stage of rural electrification. Electric loan funds are cur-

rently being advanced by REA at a rate of about $450 million per year. It is evident that on an overall basis the average interest rate on outstanding REA loans will increase very slowly. For the individual co-op, interest expense is a somewhat minor part of the total cost of operating rural electric distribution systems. The interest expense as a percent of operating revenue has been steadily declining since 1967. In 1971, it amounted to 4.3 percent of the operating revenue of electric distribution systems. This may be compared with the cost of purchased power, which amounted to 44.2 percent of operating revenue. Certainly the cost of interest is not the most serious financial challenge facing electric distribution borrowers.

The fact also demonstrates that an increase in the interest rate from 2 to 5 percent would not appreciably increase the electric bill per meter, as has been suggested. On the average, if future REA loans were to carry 5-percent interest, 5 years from now this would represent an additional cost of less than 50 cents per customer per month. That is what we are talking about, Mr. President. Thus, cries that a 5-percent interest rate on future loans would cause rate increases beyond the ability of subscribers to pay are simply unfounded. If any co-op should suffer financial failure, it is most likely to result from other problems than an increase in the loan rate.

Now let us look at what this 2-percent money that S. 394 proposes to retain would really cost the taxpayer. Let us assume that the Government has to pay 6 percent for the money it has to borrow to finance future REA loans. And let us further assume that the 2-percent money is loaned to the co-ops for the usual 35-year period. Under these circumstances, the taxpayer will be asked to pick up the tab—to pay a subsidy to the co-ops of $389.45 for each $1,000 they borrow.

Since when is it good business for the Federal Government to charge the Nation's taxpayer $398.45 for each $1,000 it lends to local rural electric cooperatives—for no justifiable purpose except to subsidize the co-ops' customers a few cents each per month?

And when one considers that USDA estimates that it will lend $3,440,000,000 to electric and telephone borrowers over the next 6 years, this interest subsidy—the difference between the 5-percent and 2-percent money—would amount to $2,245,632,000. That is a lot of money. I do not think we should make that kind of a commitment under the circumstances.

Finally, I would like to address one additional problem that has been raised by many critics; namely, the usurpation of congressional prerogative. It has been claimed that the President has acted without consulting Congress and has summarily put an end to a program of the greatest importance.

I find it difficult to follow this argument. If anything, the President has brought to a graceful close a policy which has long since served its purpose, while providing for a continuation of its purposes in an efficient manner. Nevertheless, few of the stanch defenders of congressional prerogative have alluded to the fact that the REA itself is a symbol or the abrogation of congressional prerogative. The REA was not established under legislative enactment. It was established by President Franklin D. Roosevelt by Executive order signed May 11, 1935. This was more than 1 year before REA was legitimized by the REA Act of 1936. I see no anomaly in a program which was, in effect, started by Presidential decision being concluded by Presidential decision. Some of my colleagues may wish to have the documentary record of Presidential usurpation completed. Therefore, Mr. President, I ask unanimous consent that President Roosevelt's Executive Order 7037 of May 11, 1935, be printed in the RECORD.

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

EXECUTIVE ORDER NO. 7037

ESTABLISHMENT OF THE RURAL ELECTRIFICATION ADMINISTRATION

By virtue of and pursuant to the authority vested in me under the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (Public Resolution No. 11, 74th Congress), I hereby establish an agency within the Government to be known as the "Rural Electrification Administration", the head thereof to be known as the Administrator.

I hereby prescribe the following duties and functions of the said Rural Electrification Administration to be exercised and performed by the Administrator thereof to be hereafter appointed:

To initiate, formulate, administer, and supervise a program of approved projects with respect to the generation, transmission, and distribution of electric energy in rural areas.

In the performance of such duties and functions, expenditures are hereby authorized for necessary supplies and equipment; law books and books of reference, directories, periodicals, newspapers and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized by the Administrator; rental at the seat of Government and elsewhere; purchase, operation and maintenance of passenger-carrying vehicles; printing and binding; and incidental expenses; and I hereby authorize the Administrator to accept and utilize such voluntary and uncompensated services and, with the consent of the State, such State and local officers and employees, and appoint, without regard to the provisions of the civil service laws, such officers and employees, as may be necessary, prescribe their duties and responsibilities and, without regard to the Classification Act of 1923, as amended, fix their compensation: *Provided*, That in so far as practicable, the persons employed under the authority of this Executive Order shall be selected from those receiving relief.

To the extent necessary to carry out the provisions of this Executive Order the Administrator is authorized to acquire, by purchase or by the power of eminent domain, any real property or any interest therein and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

For the administrative expenses of the Rural Electrification Administration there is hereby allocated to the Administration from the appropriation made by the Emergency Relief Appropriation Act of 1935 the sum of $75,000. Allocations will be made hereafter for authorized projects.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 11, 1935.*

Mr. HUMPHREY. Mr. President, I now yield 6 minutes to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER (Mr. BARTLETT). The Senator from Virginia is recognized for 6 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the issue which is represented by the bill before us today—S. 394, the restoration of rural electric and telephone direct loan programs—is one which is of great interest to me and of great importance to rural America.

The Rural Electrification Act has been, in my judgment, one of the most beneficial Government programs. It has brought electric power—utilities and utensils—within the reach of virtually all of the residents of the rural areas of our great country. Many of these areas are isolated to an extent where private power cannot be made available because of the prohibitive cost.

While Virginia now is considered an urban State, it has many areas which are basically rural and agrarian. Most States are more rural than is Virginia.

As electric power has been transmitted throughout the far reaches of the Commonwealth through the development of rural electric cooperatives, her citizens have enjoyed an improvement in their standard of living and a growth in their economy.

This same thing has occurred across our great Nation. The Rural Electrification Administration has played an important, major role in rural development.

Rural development should continue to have a high priority. A rural electrification program, including telephone, still is needed. There is additional work to be done, additional needs to be served.

I favor a change in the existing direct loan program. The President's proposal for guaranteed loans—as contrasted with direct loans—with interest payments above 5 percent subsidized appears to me to have merit.

I support the President in his effort to control runaway Federal spending. I also support the rural electric cooperatives as they strive to become less dependent upon the financial resources of the U.S. Government and to rely more upon commercial financing for their operations.

It is my view that Congress would be best serving the American taxpayer and the interests of members of rural cooperatives if we would institute a program of guaranteed loans on a graduated scale, based upon the needs of each individual cooperative.

There are some cooperatives, which, because of their unique situations, are in need of 2 percent interest to continue their operations.

There are many others, however, which, because of their fortunate situations, are able to continue their operations through capital loans at commercial interest rates.

And, there is that large group of cooperatives whose operations require Federal interest subsidies which would provide them interest rates between those available on the commercial market and the 2-percent level of which we are speaking today.

For the future, rather than the pres-

ent direct loans, I hope the Congress will head in the direction of guaranteed loans on a graduating scale based on the needs of the individual cooperatives. It is difficult to continue to justify the 2-percent direct loan.

Congress must reappraise the current program when the new fiscal year begins July 1. I shall vote for S. 394, because first, the program envisioned in this bill was requested by President Nixon last year and deemed to be essential by him and by the Congress; second, it was approved by the Congress, and the electric cooperatives throughout the Nation have a right to expect that the legislation deemed essential by the President, granted by Congress, and signed by the President, is a valid instrument on which to base their programs for the current year.

S. 394 applies to the remaining 4 months of the current fiscal year. Two-thirds of the year already has gone by. I do not deem it fair to change the law until the year ends.

I believe, however, that the Congress must give careful consideration, prior to appropriating funds for the fiscal year beginning July 1, to instituting a program of graduated, guaranteed loans and interest subsidies based on need.

President Nixon is right in asserting that the present program needs to be tightened. But the time to do it is the new fiscal year and not near the end of a year for which the cooperatives have planned their programs based on existing law.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Eight minutes.

Mr. HUMPHREY. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, as I stated earlier today, I am very strongly in favor of section V of this bill because, as one of the principal sponsors of the rural development bill, I can say that that act was never intended to supplant the REA but simply to supplement it.

There is, however, one part of this bill which has concerned me considerably. In three places in the bill it states:

> The Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress.

My question is this: If Congress appropriates $515 million for REA loans, is the Administrator then required to lend $515 million to the cooperatives?

Mr. HUMPHREY. Mr. President, obviously, the reason why the language, which is so explicit, is in this bill is that the word in the previous legislation was "empowered"; and this has been interpreted by the Secretary of Agriculture and the Office of Management and Budget as giving leeway to the President to cut off the program rather than to carry it forward. The only word that has been changed, really, is the word "empowered."

Congress, in each session, through the appropriations process, takes testimony as to what is needed in amounts of loan funds. We know what the process is. The administration comes in each time and makes its recommendation. The committee takes testimony, and in most instances it has increased the loan funds for REA.

The funds appropriated in 1973 were far below the requirements of rural telephone and rural electricity borrowers. In fact, the information I have is that the amount of money Congress made available for 2 percent loans would be less than half of what was really requested or needed according to the testimony—at least, what was assumed to be needed. Therefore, the funds here would be made available to be loaned—and I want to make this clear to the Senator—in the amounts appropriated for each fiscal year to meet the needs of those applications that have been filed and that qualify as eligible under the provisions of the REA Act.

Mr. AIKEN. And have been approved.

Mr. HUMPHREY. And that have been approved. If the loan applications fall within the criteria for approval, then the full amount shall be used, if there are enough loan requests to use the full amount.

Second, there is what we call the Anti-deficiency Acts of 1905–06, as amended in 1951.

The chairman of the Committee on Agriculture, the Senator from Georgia (Mr. TALMADGE), in opening hearings on February 1 on the reduction and termination of vital farm and rural programs, noted:

> There is no law which gives the executive branch power to impound funds except in certain limited circumstances.

Some of those limited circumstances he cited are described within the terms of the Anti-Deficiency Act. Then he went on to point out:

> Savings can be affected because the requirements of the object of the appropriation act have changed, because the efficiency of program operations have inceased, or when other such developments occur that make it possible for the Congressional objective to be achieved with the expenditure of less funds.

These developments must occur within the appropriation period.

So, while the language is direct, I think we can say this: First, the funds available shall be available in full amount, provided that the loan applications are approved, and those applications must be approved under the criteria set by the Administrator and under the terms of the law. Second, it is possible that where there have been substantial changes—for example, as has been indicated in the debate here, where there are more users on a line than has been the previous regulation—such standards could change; and therefore, all funds as appropriated might not be used. But the purpose here is to give a sense of direction, and I believe it is a valid purpose.

Mr. AIKEN. Then, it is the intent of the chief sponsor of this bill, the Senator from Minnesota, that the President would be directed only to lend the full amount if the full amount has been approved for pending applications.

Mr. HUMPHREY. Eligible applications that are in accordance with the terms and provisions of the REA Act.

Mr. AIKEN. With that understanding, I can vote for the bill, all right. But if there is any question about the wording, I hope that, if and when this bill is taken up by the House, it will be in proper language to convey what we mean, and not be subject to interpretation of some lawyer in an agency somewhere; because that is what has caused our trouble is a legal interpretation given to the administration, that the Rural Development Act of 1972 gave the President authority to do away with the REA 2-percent loan money. I do not think we will find many people who agree with that lawyer.

But nevertheless he gave the administration the interpretation it wanted.

Mr. HUMPHREY. Mr. President, yesterday as I was concluding the debate for the evening, I said I was trying to do two things: One, I cannot believe the President wants this program terminated. I mean that sincerely. This action today is not designed to put a pin in the skin of the President. I do not think he wants to kill this program. I think he was given bad advice, just as he was in the instance of reducing benefits for our veterans by the Veterans' Administration; and two, as one very prominent American said in a recent campaign, "Send them a message, send them a message." We are sending him a message with the rollcall vote which will be taken shortly.

Mr. AIKEN. Mr. President, is the Senator willing to make his offer retroactive to last May?

Mr. HUMPHREY. That goes pretty far, I would say to the Senator from Vermont. I would have to negotiate that with the Senator.

Mr. President, I would like to take this opportunity to also express my thanks and appreciation to the staff of our Senate Agriculture Committee for their help on this important bill, particularly Mr. Mike McLeod, Mr. Jim Thornton, and Mr. John Baker.

Mr. CURTIS. Mr. President, I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. I thank my distinguished colleague from Nebraska.

Mr. President, I find great merit in the observations made by the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.). As the RECORD will disclose, I supported the Bellmon amendment, for which I was less enthusiastic than for the McClure amendment. I supported the McClure amendment. It seemed to me the formula in the McClure amendment provided a workable structure within which help for the REA cooperatives that needed it could be assured at the same ongoing 2 percent rate of interest that has been available for the last 30 years.

It is unfortunate that these amendments, particularly the McClure amendment, were rejected because it seems to me that we could have done what I believe most sincerely most people in this country want done, and that is to try to

bring more nearly in balance the amount of money that will be spent this fiscal year and the amount of money that will be available for expenditure in this fiscal year.

I want to serve notice now that I believe the legislation ought to be revised and overhauled, and that for the coming fiscal year there must be found a better way of serving the needs of rural America through assistance in the REA programs than this bill provides.

Also, it should not go unnoticed that if we want a confrontation, as some do, between the legislative branch and the executive branch the way to achieve that result is to mandate these laws so as to afford the Presidency no latitude, no opportunity at all to try to exercise what any businessman would say constitutes good judgment. There would not be any opportunity for the President to exercise judgment in discharging responsibilities that are his in administering the laws as best reflects the will of the people.

Nevertheless, I do recognize that with the passage of the bill last year we said to cooperatives throughout the United States that help would be available to them. I think it is, as pointed out by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, Jr.). rather late in the day to say we are not going to do anything for them. There is no doubt that the bill before us will be passed, despite my vote.

Mr. President, yesterday I spoke at length on this subject. I called attention to the desire of some members to bring about a confrontation with the President. Additionally, I called attention to the assurance given me by Dave Hamil, REA administrator, that money would be made available at 2 percent for those cooperatives unable to pay more.

Mr. CHILES. Mr. President, I have very serious reservations about the constitutionality of the Executive's recent impoundments. I do not believe this administration, or any other, has the right to subvert congressional intent, terminate an ongoing, statutorily authorized program, and move into the area of legislation.

I am a cosponsor of S. 394, which would amend the Rural Electrification Act of 1936, as amended, to reaffirm that such funds made available for each fiscal year to carry out the programs provided for in such act be fully obligated.

I recently cochaired 5 days of hearings on the general issue of impoundment and repeatedly asked officials appearing before our committee to point out where the Constitution gave the President the right to repeal a statute by refusing to carry out its terms. Their answers to me were unsatisfactory.

REAP, REA, water bank, and other programs I support are not all that is at stake. It is, rather, the larger issue of whether or not the Congress will put a halt at last to this President's blatant abuse of impounding and respond positively to the contempt he has shown for the Congress.

The termination of the direct loan programs of the REA for rural electric and telephone system is a congressional—not an Executive prerogative. I support S. 394 because it is an expression of Congress' unwillingness to allow the President's unauthorized power to be exercised.

Mr. CLARK. Mr. President, there are at least 10 rural electric cooperatives in my State of Iowa which are depending on the REA funds for their operations this year. There are two, one in Wilton, Iowa, and one in Pocahontas, Iowa, who depend 100 percent on Government financing to run their operations. The others only depend partially on the Government aid and get the remainder of their operating capital from the private money market.

More significantly, all of these cooperatives were depending on this Government program in some degree to help finance their operations this year, and without consultation with Congress or public warning, this program was ended, leaving them in a financially precarious position.

I want this program reinstated so that these cooperatives can continue providing services for rural Americans. Then, let us deal with needed changes in the REA program.

In addition, I want to take this opportunity to emphasize the insensitivity rural America has been shown by this administration. The President demonstrated his own lack of knowledge about rural America and this particular program when he claimed that some 80 percent of the REA loans went to country clubs and dilettantes. Even his own Agriculture Secretary admitted the President was wrong in claiming that this is where the majority of the money goes.

Following is an article on this admission by Agriculture Secretary Earl Butz in hearings before the Senate Agriculture Committee.

There being no objection, I ask unanimous consent to insert this article which appeared in the Wall Street Journal into the RECORD.

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

[From the Wall Street Journal, Feb. 7, 1973]

BUTZ SAYS NIXON ERRED IN REMARKS ON MISUSE OF RURAL ELECTRIC PLAN

WASHINGTON.—Agriculture Secretary Earl Butz said President Nixon was wrong in claiming that Uncle Sam's rural-electrification money mostly has gone to keep the lights on for "country clubs and dilettantes, and others who can afford living in the country."

At his news conference on Wednesday, Mr. Nixon justified his decision to terminate 2% federal loans to rural electric cooperatives by saying that 80% of the funds was going to such purposes, rather than "for rural development and getting electricity to farms."

But in testimony on Capitol Hill yesterday, Secretary Butz said only "some" of the funds disbursed by the Rural Electrification Administration have been used for the purposes criticized by Mr. Nixon, the President's choice of words was "unfortunate and probably not premeditated," added Mr. Butz, who as natural resources counselor to the President holds one of four newly created "supercabinet" posts.

The Nixon observations came under scrutiny at a Senate Agriculture Committee inquiry into whether the chief executive exceeded his constitutional authority in abolishing the 2% REA financing (offering 5% government-guaranteed bank loans in its place), the Rural Environmental Assistance Program, conservation payments, to farmers, rural water and sewer aid and other long-established rural assistance programs.

HEAVY CUTS IN FARM AID

Most of the committee members said they sympathized with the need for government economies. But the complaint that too heavy a share of the Nixon-ordered cutbacks is falling on rural residents was broadly bipartisan.

Republican Sen. Robert Dole of Kansas, who isn't quite the down-the-line Nixon partisan he had been when he was GOP national chairman, cited a meeting with irate farmers in his state and suggested that administration loyalists will be forced to defy the White House and seek to cancel the cuts if they "want to be reelected in 1974." (Although it didn't come up at the hearing, Sen. Dole previously had expressed unhappiness over both his eviction by Mr. Nixon from the party chairman's post and the President's failure to campaign for beleaguered Senate Republicans last fall.)

Mr. Butz's testimony began with an 11-page defense of the Nixon cutbacks. Relying mainly on arguments he had used before, the Secretary told the Senators that because farm income is up, farmers don't need government aid to finance land-conservation practices, and that without reduced government spending the nation faces rising inflation, heavier taxation, or "strict price and wage controls across the board, including controls on farm products."

STILL A SUBSIDIZED RATE

Defending the elimination of the 2% REA loans, Mr. Butz said that even though the new 5% rate on guaranteed loans "brings REA more in line with present day costs of borrowing . . . this is still a subsidized rate." In 1936, when the REA was created, he said, only about 11% of farms were electrified and the 2% interest rate was in line with the 1.9% commercial rate then in effect. Today, by comparison, 98% of all farms are electrified, and of the seven million meters on REA lines, only 1.4 million are farm meters, he said.

As for the typical REA customers, the "bulk" of them are "rural residents, retirees, urban workers and industries," Mr. Butz stated.

In an exchange with Sen. George McGovern (D., S.D.) on the REA question, the Agriculture Secretary found himself in a second, more oblique collision with the President's news-conference comments. Going back to his days as a Congressman from Southern California, Mr. Nixon recalled that his old district was "primarily agricultural, orange groves" and "I naturally had a great interest in this matter of REA and the rest, and supported it."

Sen. McGovern, alluding to the President's remarks, challenged the Nixon voting record, citing research by the National Rural Electric Cooperative Association showing that while in Congress, Mr. Nixon voted "wrong" 13 times in 16 votes on REA matters.

Responded Mr. Butz: "Those votes came early when the President was representing a district that was completely electrified."

Mr. TUNNEY. Mr. President, what is now before us is a showdown over the administration's meat ax approach to the budget which strikes not at the "fat," but instead at the heart of rural America.

The administration has substituted insured loans made possible by the 1972 Rural Development Act as a replacement for REA direct loans. That was not what Congress intended by the Rural Development Act. Furthermore, if we had seen fit to alter REA we would have done so.

I have stated repeatedly that I sup-

port and encourage fiscal responsibility. But it is not responsible to let the President sit in solitary judgment over the future of programs which the Congress has determined to be in America's best interest.

On December 29, when the President abruptly told rural Americans they could no longer rely on the REA credit system for loans, he told them that they could no longer rely on congressional legislation.

The Congress is not necessarily wedded to the present REA formula. The Senate Agriculture Committee is already planning hearings to determine the future needs of the REA program. This is the way changes in the statute should be made.

The question, therefore, is whether the process of hearings and subsequent congressional evaluation can be preempted by a single White House press release.

I contend that it cannot.

Mr. HATFIELD. Mr. President, representing, as I do, a State which is predominantly agricultural, I am keenly aware of the importance of the REA direct loan program for electric and telephone services. This program has made a phenomenal difference to Oregonians.

As of July 1, 1972, REA loans to telephone borrowers in Oregon provided telephone service for an estimated 39,190 rural subscribers over 5,939 miles of line. When the REA telephone loan program was authorized by Congress in 1949, 50.3 percent of the farms in Oregon had telephones, and much of this was obsolete. Today 92 percent of the State's 39,500 farms, as well as many rural homes and businesses have telephone service.

REA loans to rural electric systems in Oregon provide service to an estimated 59,199 rural consumers over 16,444 miles of line. Ninety-nine percent of Oregon's farms are receiving electric service, compared with only 17,839 or 27.5 percent when REA was created in 1935.

Today the question is whether this service will be maintained in areas that are often difficult to reach, and almost impossible to service. Will the removal of this program's benefits mean that another incentive to remain in rural environments is hurt while futher propelling additional, and unwanted, people into cities where such services are more readily available.

There is legitimacy to the point that the interest rates for these loans should be higher, especially in certain areas. But, that is a decision for Congress to make about a program that Congress created.

Which brings us to the heart of this problem. Can the executive branch impound funds or eliminate programs that have been authorized and appropriated by Congress? Does not this clearly overstep the constitutional responsibilities entrusted to the Executive? So large does this problem loom that those who might never represent people living in isolated areas far from public telephone companies and public utilities must share a sense of dismay and frustration over this abrupt action. We must decide, not just whether the REA shall survive, but whether the constitutional prerogatives of the Congress shall be preserved.

We can revise the REA direct loan program to meet legitimate complaints, but first we must establish that the program is ours to revise.

Mr. President, hundreds of letters have poured into my office about this situation and I would like to share just a few with you now. I ask unanimous consent that they be inserted with my remarks in RECORD.

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

VERNONIA, OREG.,
February 10, 1973.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: With twenty-seven years past service and at times president of the West Oregon Electric Co-op-R.E.A., I can speak with experience when I say this utility can hardly continue in business with the proposed higher interest rate.

Due to the heavy stands of timber and brush, hard winds and heavy snow, and other unusual handicaps, including the small number of customers to the mile, makes our system very expensive to maintain.

We wish you a successful and peaceful second term as one of our Senators.

Respectfully yours,
NOBLE and NELLIE DUNLAP.

SEASIDE, OREG.,
February 12, 1973.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HATFIELD: I have recently read of the Executive Order to terminate the 2% REA Loan Program effective December 31, 1972, and would like very much if you would spend a minute of your time to let me vent my feelings of it to you.

We moved to the beautiful state of Oregon in the year 1951. At that time, the location to which we moved had no electricity but was fed power through "power plants" which consisted of a small motor in each individual's garage. A few years later we were furnished power by West Oregon Electric Cooperative, Inc., and you have no idea how grateful we were to them, even though we pay for this service. I can't tell you, though, how efficient and thoughtful our service is. We frequently are without power during bad winter storms which bring high winds, downing trees, or heavy snowfall which breaks the lines, and there has never been a time that our company has not been immediately or as soon as possible to our area to repair the damage and restore service.

When the original Act was passed for the 2% REA Loan Program in 1936 it was passed with the provision that all rural consumers would be served. This program has brought electric service to many homes and farms that would not have had electricity without these companies. In terminating this program it could mean that area coverage could not be guaranteed and that new construction, major repairs, and new services would be curtailed or even terminated.

We, as taxpayers, and citizens of the United States, urge you to not permit the President to usurp our power and that Congress rescind this outrageous act of the President.

Sincerely,
Mr. and Mrs. CHARLES LANNIGAN.

SEASIDE, OREG.,
February 12, 1973.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HATFIELD: Upon hearing the news of the termination of the 2% REA Loan Program I decided to write and let you know my feelings in hopes that it will have some effect on the action taken.

We have been serviced by a rural electric coop for some 18 years, which is the length of time we have had electricity in our area. We had tried, unsuccessfully, to obtain electricity from one of the larger electric companies in our area; however, we were told that for the amount of customers that would be served it just wasn't worth the time and effort of installing. Yet after a meeting with the electric coop they decided that they would and could install electricity for us and did so within the year.

During the time we were without electricity, which was for several years, we went without many conveniences that the normal family takes for granted, i.e., stove, refrigerator, iron, radio, heat (except for wood), and t.v. Since we have been serviced by the rural electric co-op we have found that service is even better than those living near town, or in town, and when we report any type of trouble to the electric company the company is right there to make repairs.

I am a retired senior citizen living on just my social security as income, which amounts to about $210. per month. As it is, I have trouble just making ends meet, paying my taxes on my property, buying food, medicine and essential clothing which is required, and I really don't know how I would allot for any extra money for the electric bill and as I understand it, this is what the termination of the 2% REA Loan Program would mean.

I, then, urge you stop the President from making this drastic mistake and for once considering the average working man, the retired, and the poor, and let the rich begin paying their share. I've given mine!

Sincerely,
WILLIAM A. PAINTER.

RUFUS GRANGE,
Moro, Oreg., February 15, 1973.

Hon. MARK O. HATFIELD,
Senate Office Building,
Washington, D.C.

DEAR SIR: Rufus Grange No. 826 meeting in regular session tonight expressed the deepest concern over the Administration's move to curtail the 2% interest loans to the Rural Electrification Administration as established by the Pace Act of 1944. We are concerned both over the curtailment of the loans at present interest rates and the fact that a President seems to be able to rescind an Act of Congress at will.

The REA is an important element in the life of Rural America and to cripple it as this action will will certainly be a blow to the continued development of better life for those who live there. Hundreds of communities all across the nation would not enjoy the benefits of electric power today were it not for REA which has met the needs that private power could not, or would not, assume. To terminate the Pace Act would mean that rural electric rates, which are of necessity higher than those of private companies would have to be raised considerably, and in all probability, further expansion of power would have to be delayed or curtailed permanently.

We therefore ask you to support the bill introduced by Senator Humphrey on January 16, 1973 and co-sponsored by 27 other Senators the following day. If Rural America is to continue to thrive and be attractive to our young people REA must be saved.

Of equal concern to us is the fact that the President seems to have the power to nullify an Act of Congress at will. If this is true, what then is happening to our Republican form of government. It seems to us that the time has come to take a long, hard look at where we are heading. Such actions as that taken December 29, 1972, do not seem to us to be in the best interests of the country. After all the rural area of America is still

important and this action is a definite blow at that area.

Sincerely,

MARY M. BRACKETT,
Secretary, Rufus Grange No. 826.

Mr. PEARSON. Mr. President, I wish to indicate my full support for S. 394.

I agree with the report of the Agriculture Committee that more than the issue of impoundment is involved here. The Department of Agriculture did not simply say that it was impounding funds in order to stay within an overall spending ceiling, it said more than this. It said in its judgment this program is no longer needed and, therefore, it is terminated.

This, of course, raises the most serious kind of challenge to our constitutional system. There will always be differences of opinions within the Congress about the merits and demerits of a program and there will be differences between the Congress and the President, but once a program is duly enacted and signed into law, the obligation to execute it is clear. Certainly if the administration believes that the continuation of a program is no longer desirable or needed, it is perfectly within its rights not to ask for new budgetary authority to fund it. And if the Congress goes ahead and appropriates money for this program the President has the full right to veto it. But to simply kill a duly enacted ongoing program without even a token effort at prior consultation, raises critical constitutional and political issues.

Aside from the constitutional issue involved here I am convinced that a continuation of the 2 percent loan program is needed and desirable. I recognize that this need is not as great today as it was in the past. Certainly this is recognized by the rural electric systems themselves. Increasingly in recent years they have gone into the private market for their new capital needs. The principal instrument for this credit has been the Rural Utilities Cooperative Finance Corporation, created and operated by the rural co-ops themselves. Thus most rural electric systems now use a blend of private and Government money. Some of these systems rely almost entirely on private financing, but there are still a number of systems for which the 2 percent direct loan program is essential to their survival. As I understand it, there are 88 rural electric systems which due to their financial status are eligible for full financing at the 2-percent rate. Eight of those are in Kansas. In addition, 28 other systems in Kansas are dependent upon 2 percent loans for a significant source of their needed capital.

Mr. President, no one denies that 2-percent direct loans constitute a very generous program, but we need to be reminded that the problems that the rural electric systems face are unique and difficult. For example, in Kansas the rural electric systems have an average of 1.8 customers per mile of line built. Whereas the investor-owned utilities have approximately 26 customers per mile of line. The revenue on an average basis per mile of line for rural electric systems in Kansas is $591, whereas the revenue for investor-owned utilities is $9,500 per mile. Customers of rural electric systems Kansas already pay more on the average for electricity than urban users. This is not due to a difference in efficiency but due to the fact that the electric cooperatives serve sparsely populated areas, thereby making the investment cost per customer extremely high. Thus, despite the higher prices that most farmers must pay for electricity, the rate of return on all the electric cooperatives in Kansas in 1971 was 3.68 percent. The termination of the 2-percent loan program will place many of the rural electric cooperatives in serious financial difficulty and will certainly mean that they will be obligated to charge their customers higher rates, thus accelerating the already sharp increase in costs that the farmer has encountered in all his areas of production.

This is a good bill. It deserves our support.

Mr. BROCK. Mr. President, most of the people in this country object loudly to inflation, deficit spending and higher taxes. The President is making a valiant effort to do something about it—yet, each program he has cut is somebody's favorite. So Congress continues to refuse to accept the responsibility for fiscal integrity which it has long since abdicated.

The REA program was initiated several decades ago when the private power companies felt it was too unprofitable to extend electricity to rural areas. The Government had to help. But now, only about 20 percent of the rural electric co-op customers are farmers and nearly all of the new customers are nonfarmers, mostly suburban.

Furthermore, when the interest rate was set at 2 percent during the depression, the cost of money was 1.69 percent. Now the cost of money is somewhere around 6 or 7 percent, but the REA interest rate remained the same.

REA has done a fantastic job for which I applaud them, but I cannot agree that the future of REA is threatened by an increased interest rate. The Production Credit Associations and the Federal land banks have emerged stronger than ever from their recent shift to the private money markets, and I believe REA can do the same.

What is regrettable to me is that Congress neglected its duties in reevaluating the program and recognizing the need for revision before the Executive was forced to take action.

I have made a commitment to do everything in my power to hold down spending and in this case I can see no justification for continuing the direct subsidy. I cannot support S. 394.

Mr. HUMPHREY. Mr. President, I yield back the remainder of our time.

Mr. CURTIS. I yield back the remainder of our time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, 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 bill having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Mississippi (Mr. STENNIS), the Senator from Washington (Mr. MAGNUSON), and the Senator from Indiana (Mr. BAYH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The Senator from Texas (Mr. TOWER) is absent on official business.

The Senator from Oregon (Mr. HATFIELD) has stated his reason for not voting.

If present and voting, the Senator from New York (Mr. JAVITS) and the Senator from Oregon (Mr. HATFIELD) would each vote "yea."

The result was announced—yeas 69, nays 20, as follows:

[No. 23 Leg.]

YEAS—69

Abourezk	Ervin	Montoya
Aiken	Fong	Moss
Allen	Fulbright	Muskie
Baker	Gurney	Nelson
Bellmon	Hart	Nunn
Bentsen	Haskell	Pastore
Bible	Hathaway	Pearson
Biden	Hollings	Pell
Brooke	Hruska	Percy
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Humphrey	Randolph
	Inouye	Schweiker
Byrd, Robert C.	Jackson	Sparkman
Cannon	Johnston	Stafford
Chiles	Kennedy	Stevens
Church	Long	Stevenson
Clark	Mansfield	Symington
Cook	McClellan	Talmadge
Curtis	McClure	Thurmond
Dole	McGee	Tunney
Domenici	McGovern	Williams
Dominick	McIntyre	Young
Eagleton	Metcalf	
Eastland	Mondale	

NAYS—20

Bartlett	Fannin	Roth
Beall	Griffin	Saxbe
Bennett	Hansen	Scott, Pa.
Brock	Helms	Scott, Va.
Buckley	Mathias	Taft
Case	Packwood	Weicker
Cotton	Ribicoff	

NOT VOTING—11

Bayh	Hartke	Magnuson
Cranston	Hatfield	Stennis
Goldwater	Hughes	Tower
Gravel	Javits	

So the bill (S. 394) was passed, as follows:

S. 394

An Act to amend the Rural Electrification Act of 1936, as amended, to reaffirm that such funds made available for each fiscal year to carry out the programs provided for in such Act be fully obligated in said year, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purpose of this Act is to reaffirm the original intent of Congress that funds made available under authority of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) are to be loaned for the purposes prescribed in such Act during the fiscal year and in the full amount for which such funds are made available.

SEC. 2. Section 2 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 902), is amended to read as follows:

"SEC. 2. The Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act in the several States and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service and for the purpose of furnishing and improving telephone service in rural areas, as hereinafter provided; to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of and the furnishing of adequate telephone service in rural areas in the several States and territories; and to publish and disseminate information with respect thereto."

SEC. 3. The first sentence of section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking out at the beginning thereof "The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans" and inserting in lieu thereof the following: "The Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act."

SEC. 4. The first sentence of section 201 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 922), is amended to read as follows: "From such sums as are from time to time made available by the Congress to the Administrator for such purpose, pursuant to section 3 of this Act, the Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act to persons now providing or who may hereafter provide telephone service in rural areas, to public bodies now providing telephone service in rural areas, and to cooperative, nonprofit, limited dividend, or mutual associations."

SEC. 5. Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) is amended by inserting immediately after the first sentence thereof a new sentence as follows: "The authority contained herein to make and insure loans shall be in addition to and not in lieu of any authority contained in the Rural Electrification Act of 1936, as amended."

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill passed be reconsidered.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD subsequently said: Mr. President, I have just arrived on the floor after having spent 10 harrowing minutes in an elevator that was stuck. I ask unanimous consent that I be permitted to cast my vote in favor of the bill (S. 394) just passed by the Senate.

The PRESIDING OFFICER. Under the rule, the Presiding Officer is prohibited from even entertaining such a unanimous-consent request.

Mr. HATFIELD. Mr. President, I wish to register my explanation of why I just missed the vote on final passage of the REA bill. My position on this issue is clear: I am in firm support of the proposal.

I left my office to come to the floor to vote, and stepped into an automatic elevator in the corner of the Old Senate Office Building closest to my office.

Due to some mechanical mistake, this elevator has been going up and down for over 10 minutes, bypassing floor after floor. I missed the vote, but not without a struggle. I called the Superintendent's office on the phones that are in all the elevators. Still, our elevator continued on its crazy up-and-down course, with no relief.

Therefore, I wish to register my position as being in full support of the proposal—I am sorry that forces far beyond the control of any of us kept me from appearing to cast my vote.

As long as this Senator-capturing elevator remains, my advice to my colleagues is: Walk, do not ride.

EXTENSION OF TIME FOR COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORTS

Mr. CANNON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration may be permitted to file certain reports up to 12 p.m. tonight.

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

FEDERAL AVIATION ACT

The PRESIDING OFFICER (Mr. BARTLETT). Under the previous unanimous-consent agreement, the Chair lays before the Senate S. 39 which the clerk will report.

The legislative clerk read as follows:

A bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments on page 3, line 15, after the word "punished", insert "by imprisonment for not less than twenty years or for more than life"; after line 16, strike out:

"(A) by death if the verdict of the jury shall so recommend, or, in the case of a plea of guilty, or a plea of not guilty where the defendant has waived a trial by jury, if the court in its discretion shall so order; or

"(B) by imprisonment for not less than twenty years, if the death penalty is not imposed."

On page 9, line 20, after the word "prescribe", insert "reasonable"; on page 10, line 14, after the word "carriers", where it appears the first time, strike out the comma and insert "and"; in the same line, after the word "carriers", where it appears the second time, insert a comma and "at domestic and foreign airports,"; in line 15, after the word "and", insert "for"; in the same line, after the word "carriers", insert "for use"; on page 11, line 16, after the word "transportation", insert a colon and *"Provided, however,* That notwithstanding any other provision of law to the contrary, the Administrator may not require, by regulation or otherwise, the presence at airports in the United States of State or local law enforcement personnel to assist in or support the screening of passengers and property prior to boarding, or to enforce, or to act as a deterrent against acts which are prohibited by, United States statutes other than as authorized by this subsection"; on page 12, line 8, after the word "substance", insert a colon and *"Provided however,* That no person shall be frisked or searched unless he has been identified by a weapons detection device as a person who is reasonably likely to be carrying, unlawfully, a concealed weapon and before he has been given an opportunity to remove from his person or clothing, objects which could have evoked a positive response from the weapons detection device, and unless he consents to such search. If consent for such search is denied, such person shall be denied boarding and shall forfeit his opportunity to be transported in air transportation, intrastate air transportation, and foreign air transportation;"; on page 13, line 13, after the word "may", strike out "designate and"; in line 14, after the word "personnel", strike out "to exercise the authority conveyed in this subsection" and insert "whose services may be made available by their employers, on a cost-reimbursable basis, to exercise the authority conveyed in this subsection"; on page 14, line 24, after the word "substance", insert "as prescribed in section 316(a) of this Act"; on page 16, line 25, after the word "transportation", insert a semicolon and "nor shall it apply to persons transporting weapons for hunting or other sporting activities if the presence of such weapons is publicly declared prior to the time of boarding, checked as baggage which may not be opened within the airport confines, and not transported with such person in the passenger compartment of the aircraft."; on page 17, line 10, after the word "fiscal", strike out "year" and insert "years"; in the same line, after "1973", insert "and 1974"; and, in line 11, after "$35,000,000", strike out "and for each succeeding fiscal year such amounts not to exceed "$35,000,000".

Mr. CANNON. Mr. President, for the benefit of Senators present, I may say that the time limitation that has been agreed on is 2 hours, 1 hour to each side. I do not anticipate using all of the hour allocated to me. I do anticipate a rollcall vote on final passage.

I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I yield myself such time as I may require.

Mr. President, I suggest the absence of a quorum on my own time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. COTTON. Mr. President, will the Senator from Nevada yield me 1 minute?

Mr. CANNON. I yield 1 minute to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I ask unanimous consent that Arthur Pamkopf and John Kirtland, members of the Commerce Committee staff, be authorized to be present on the floor during the consideration of the pending bill.

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

Mr. CANNON. Mr. President, I ask unanimous consent that Mr. Robert E. Ginther and Mr. Harold I. Baynton, members of the Commerce Committee staff, be permitted to be on the floor during the consideration of the pending bill.

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

Mr. CANNON. Mr. President, I am pleased to present to the Senate for consideration today a proposal dealing with the aircraft hijacking problem which has been developed by the Commerce Committee as an alternative to the administration's latest program which was announced December 5, 1972.

The bill, S. 39, is in most aspects identical to S. 2280, the measure passed last September 21 in the Senate by a vote of 75 to 1.

Mr. President, S. 39 has been developed by the committee over the past 12 months in response to a worsening aircraft piracy situation and was developed over strenuous administration opposition during a period when the administration was doing virtually nothing about the problem.

After this legislation was approved by the Senate last fall, administration lobbyists began quietly seeking to have the measure buried in the House.

I regret to say that they were successful. The House passed half-a-hijacking bill—it approved the international provisions written here in the Senate, but completely ignored the domestic features which we devised to increase security at airports and deter would-be sky pirates.

After two very difficult conference meetings with the House, the conferees concluded they were hopelessly deadlocked. The House members would agree to none of the Senate provisions relating to domestic security at airports and refused to let those provisions go to the House floor for a vote. The Senate bill was then effectively killed in conference.

Following congressional adjournment and after two particularly desperate and heinous hijacking incidents in October and November of 1972, the administration was spurred to action.

On December 5, 1972, after Congress had adjourned and without prior notice or consultation with Congress or the aviation community, the Secretary of Transportation called a news conference and announced "emergency regulations" to deal with aircraft piracy which were to become effective within 60 days. The regulations required the universal screening of airline passengers and carry-on possessions effective January 5, 1973, as provided for in last year's Senate bill and as included in S. 39 this year. The second part of the regulations required that State and local government bodies, who own and operate the Nation's 531 airline-served airports, furnish uniformed, armed, law enforcement officers at each airport boarding gate for each airline flight beginning February 6, 1973. Both those requirements are now in effect.

What the Secretary's announcement did not say was that the administration was abandoning the Federal Government's role and responsibility in the enforcement of U.S. statutes regarding criminal acts committed against the air transportation system and, in so doing, it was turning over this responsibility to local government at 531 different locations throughout the United States. In addition, the announcement did not say that the administration had already begun the phaseout of the Federal law enforcement presence at the major airports because of the fact that the President no longer wanted to budget Federal funds to pay for the air transportation security program. However, the announcement pointed out that the local policemen would replace Federal officers.

Needless to say, the announcement astonished the Nation's airport operations, cities, counties, and State governments. They had no opportunity to review the proposal, to comment, to testify in public hearings or to otherwise participate in the rulemaking process. Normal rulemaking procedure, which is provided for under law, was abandoned because of the "emergency" which existed at the time. Curiously, the "emergency" did not affect the administration's plan of phasing out Federal law enforcement officers at the airports—the phaseout continued without interruption despite the hijackings of October and November which resulted in death and serious injury to innocent victims and terror to scores of airlines passengers.

Had the administration chosen to check with our committee or with the Nation's airport operators or with practically anyone who knew anything about law enforcement training and hiring requirements, it would have determined that the regulations were totally impractical, given the deadlines that had to be met. Indeed, that has now proven to be the case.

Many U.S. airports have been simply unable to meet time requirements. Many airport officials do not have the authority to hire local law enforcement personnel since they are supplied by other departments of local government, or to empower private airport guards with full peace officer authority.

Even if all the manpower were immediately available for hire at airports, it has been impossible to train the necessary number of law enforcement officers and have them in place within the 60 days required by the order. Careful training of persons vested with the authority to carry a loaded weapon in crowded airport terminals is essential. Reflecting this responsibility, one major airport, for example, requires security checks for officers, each of which normally takes 8 weeks. This time requirement is not uncommon. In some cases, State law requires 210 hours—6 weeks—of training for police officers. Some airports have training programs of up to 6 months which officers must complete before they are authorized to carry firearms.

Four small airports in rural parts of America incurred fines of $1,000 per day beginning January 6 because they had failed to inform the Department of how they planned to implement the February 6 regulations. In at least two instances, the airport operators simply did not have funds to hire, train, and equip local policemen to patrol these tiny airports.

Other very serious problems facing local governments involve local law and local finance. In many States, perhaps 18 or 20, State and local officers have no statutory authority to enforce U.S. statutes and to make arrests for violations of them.

The administration has yet to fashion an acceptable solution to this dilemma.

The other very difficult problem facing the Nation's cities and towns is how to pay for the armed guards required by the Federal regulations. The committee has received estimates from responsible sources indicating that the increased financial burden at all airline airports in the United States will be more than $56 million a year.

Perhaps at the largest airports in the United States this requirement will not impose an impossible burden, but certainly at most of the smaller airports local funds are simply not available to hire policemen to patrol airports. Most smaller airports operate at a deficit and this additional and unwarranted requirement will simply add to the already unacceptable situation.

Many communities have been forced to reduce their regular police force so as to comply with the regulations. Policemen have been taken from other vital law-enforcement functions to perform the role of Federal policemen at the airport. This has created a worsening law-enforcement situation in many of the Nation's municipalities.

While the impracticalities of the administration's antihijacking program are apparent, it is also clear, ignoring for the moment the principle involved, that the program will be largely ineffective.

Aircraft piracy, extortion, and violence in air transportation are violations of Federal law and the incidents themselves, when they occur, are carried out over large parts of the globe. A program established on 531 separate plans of action, 531 differing standards for peace officers, and 531 bodies of government will prove to be chaotic to administer from Washington. Worse yet, it will be ineffective in properly protecting the American traveling public from a very threatening and ominous situation. Prior to the order

to phase out the Federal officer force in 1972, the Government's antihijacking force was less than effective because three separate U.S. agencies were involved.

Aside from the convincing evidence that the administration's program is impractical, and will be ineffective, it is bad policy.

It is wrong for the Government of the United States to force, with threat of exorbitant fines, State and local government to accept the responsibility for the safety and security of the national and international air transportation system. This is not a local or a State problem, it is not regional in character, it is a national problem and the United States must accept its responsibility just as it does for a national postal service or for the National Customs and Immigration Inspection Service.

It would seem the administration is seeking to force this responsibility on someone else because of the financial costs involved. Within the last several days, the committee has learned that the Department of Transportation has told local airport operators who were unable to have local policemen in place on February 6 that they may "hire" the remaining Federal officers in the security program.

In participating in this Federal rent-a-policeman scheme, the local airport operator must pay the salaries and expenses of Federal officers. Fortunately, this scheme was struck down in court just last week.

It is ironic, indeed, that the funds to pay for the Federal force of officers has already been appropriated by Congress with the view that these officers are critically needed to protect the American traveling public from the threat of death and violence. And yet the administration tried to force local governmental bodies to pay the U.S. Government for the protection already provided by the Congress.

Mr. President, quite recently the Nation's major airport authorities, acting within their trade organization, the Airport Operators Council International, sued the Department of Transportation alleging that the U.S. Government had acted contrary to law in imposing the "emergency antihijacking regulations" on December 5.

The U.S. Court of Appeals for the District of Columbia Circuit, in a decision on February 15, found that the Government in promulgating the emergency regulations had violated terms of the Federal Aviation Act which require that affected parties be given the opportunity for hearing even in an emergency rulemaking. The court, apparently taking cognizance of the impracticality of the Government's regulations, ordered that no fines should be levied against airport operators who could not comply on the deadline date provided that a good-faith effort to comply was made.

So, Mr. President, the Government in imposing its hijacking program has ignored the views of many in Congress and, more seriously, ignored the law without ever bothering to consult with or listen to the views of the local governmental officials upon whose shoulders the entire aircraft piracy protection program has been placed.

This cavalier and heavy-handed attitude by the U.S. Government instills little confidence in the administration's expressed goal of cooperation with local and State government.

Mr. President, these are the issues with which the bill before us today deals. S. 39 is a national anti-hijacking program and places the responsibility for preventing aircraft piracy where it belongs, with the U.S. Government. It will esstablish a balanced, effective, and workable program aimed at protecting the traveling public.

Let me now briefly outline the major features of our legislation.

As its title indicates, the bill is designed to provide a more effective program to prevent aircraft piracy.

Title I of S. 39 provides the legislation necessary for the United States to implement the convention for the suppression of unlawful seizure of aircraft—(the anti-hijacking convention or Hague convention—to which the United States is a party, and which came into effect on October 14, 1971. Title I also provides the President authority to suspend air service to any foreign nation which he determines is encouraging aircraft hijacking by acting in a manner inconsistent with the Hague treaty and to suspend foreign air carrier service between the United States and any nation which continues to provide for or accept air service from any nation which the President has determined is encouraging hijacking. Finally, title I provides the Secretary of Transportation authority to withhold, revoke, or limit the operating authority of any foreign air carrier whose government does not effectively maintain and administer security measures equal to or above the minimum standards established pursuant to the convention of international civil aviation.

Title II of S. 39 requires the Administrator to provide regulations requiring that at least for the next year all airline passengers and all carry-on possessions be screened by weapons detecting devices prior to their being boarded on aircraft for transportation in the air transportation system.

Title II would also establish, under the Administrator of the Federal Aviation Administration, an air transportation security force adequate in size to provide a Federal law enforcement presence at the Nation's major airports to insure the safety of passengers from violence and air piracy.

At the Nation's smaller airports the Administrator would be authorized to enter into agreements with airport operators under which the airport operator would supply local law enforcement personnel to supervise passenger boarding of airline aircraft subject to reimbursement, by the Federal Government, for the costs incurred in so doing. The bill would specifically prohibit the Federal Government from requiring that local airport authorities provided law enforcement officers to assist in carrying out the Federal air transportation security program. Such a requirement has been imposed on 531 airport operating authorities by regulations of the Department of Transportation, Federal Aviation Administration.

Mr. President, S. 39 represents more than a full year of consideration, hearings, and discussion of the aircraft hijacking problem in the Committee on Commerce. We believe it is a strong bill and will provide an effective program to deter hijacking.

However, I must add that the program we have developed will not bring an end to hijacking. In my opinion, no legislation will do that. Hijacking will only end when all nations of the world adopt a policy of closing their doors to hijackers and terrorists and make it clear that there will be no safe havens for hijackers anywhere on the globe. If and when that occurs I believe we will see an end to aircraft piracy.

But until that day is reached, if indeed it ever is, the provisions of S. 39 will at least provide a level of protection for the traveling public commensurate with the threat facing our air transport system.

Mr. President, I recommend this bill to the Senate and urge its unanimous approval.

Mr. COTTON. Mr. President, I yield myself such time as I may require to make a brief statement.

Mr. President, I wish to make a few observations concerning S. 39—the proposed Anti-Hijacking Act of 1973—which was reported by our Committee on Commerce without objection.

First, as the senior Republican member on the Commerce Committee, I would like to briefly set forth the position of the administration as conveyed to the committee by former Secretary of Transportation Volpe at the hearing on January 9. At that hearing former Secretary Volpe stressed "strong support for provisions in S. 39 which would implement the Convention for the Unlawful Seizure of Aircraft for the United States—the Hague Convention." Such support was previously evidenced by the administration with respect to similar provisions in the bill, S. 2280, of the 92d Congress which was introduced by the distinguished chairman of our committee (Mr. MAGNUSON) at the request of the Department of Transportation by letter of June 1971. These are essentially the provisions to be found in sections 2 and 3 of title I of S. 39. The remaining sections of title I are supported by the administration with some minor reservations.

The basic disagreement lodged by the administration with respect to S. 39 is to be found in title II establishing a new air transportation security force in the Federal Aviation Administration—FAA. Former Secretary Volpe expressed the belief that this represented "an unnecessary and unwarranted intrusion of the Federal police power into the jurisdictions and responsibilities of State and local governments."

This position was supported also by the Attorney General by letter of January 18 to the distinguished chairman of the Subcommittee on Aviation (Mr. CANNON). However, the feeling prevalent among the members of the Committee on Commerce was that this was a Federal

function involving as it does interstate commerce, and that a new Federal police force established within the Federal Aviation Administration was a logical solution. It is this concept which is carried forth by the provisions of Title II of S. 39.

I also would hasten to point out that the position as represented in title II of S. 39 does appear to be consistent with the position of the Honorable Secor D. Browne, Chairman of the Civil Aeronautics Board, set forth on June 9, 1972 in a speech before the Aero Club of New England annual award luncheon when he observed the following:

To me, it is economic nonsense to suggest that carriers or the airport operators are capable of policing the system. The burden should not, and cannot properly, be placed on the airlines, airport operators or local authorities.

The protection and security of the airports and the airways must be a total national responsibility.

The responsibility for dealing with hijacking rests with governments and world organizations. Let there be no mistake.

Therefore, Mr. President, there does appear to be strong sentiment favoring the position that air transportation security is a Federal responsibility, and with this, I agree. As for the issue of whether this should result in the creation of a new Federal police force, there does exist some reservation. However, I believe that this issue will be thoroughly aired before the House Committee on Interstate and Foreign Commerce to which the bill, S. 39, will no doubt be referred after passage by the Senate. I express this belief since the issue was raised before our Committee on Commerce by a member of that House committee, Congressman ROBERT ECKHARDT, Democrat of Texas, in January, when he referred to his bill, H.R. 1800. At that time Congressman ECKHARDT observed the following:

I would respectfully suggest that the use of the FBI would be superior to the creation of an additional and alternate police presence.

I would not extend Federal police authority any more than as absolutely necessary.

Mr. President, my second observation concerns section 24 of S. 39 providing for a new section 316 to the Federal Aviation Act of 1958 as amended. This section mandates that the Administrator of the FAA "shall establish and maintain an air transportation and security force at airports in the United States." Since Washington National and Dulles International Airports serving the National Capital area are federally owned, I made an informal inquiry of the FAA whether the terminology "airports in the United States" would, in fact, be construed to include these two airports. I made this inquiry in view of the fact that a former constituent of mine raised the issue and the report of the Commerce Committee appears to be silent on this point. Therefore, as a matter of legislative history I would like to take this opportunity to note that the response to my inquiry was in the affirmative—both Washington National and Dulles International Airports would be included within this security force requirement. I, therefore, would presume that any such force would utilize the presently available security force at these two airports now under the FAA in the establishment of the security program provided for in S. 39.

Mr. President, the third and final observation I would like to make also concerns the proposed new section 316 and the authority of the Administrator of the FAA to deputize State and local law enforcement personnel which is to be found at the end of subsection (a). Our committee—and I believe most appropriately so—amended this provision to make this authority permissive with the employers of such State and local law enforcement personnel and most important, "on a cost-reimbursable basis". Mr. President, representing a rural State such as New Hampshire which has small airports and is constantly confronted with the problem of raising revenue to meet operating expenses at airports, I am particularly sensitive to adding to their cost burden. I, therefore, believe this provision to be very significant and one which I feel will be of interest to those of my colleagues who have airports in States which are similarly situated. It is for this reason that I draw the attention of the Members of the Senate to it.

In conclusion, Mr. President, I wish to congratulate the distinguished chairman of our Commerce Committee (Mr. MAGNUSON) and the distinguished chairman of our Subcommittee on Aviation (Mr. CANNON) in acting so expeditiously on S. 39. It seeks to address a problem which is of vital concern to each and every citizen of the United States using our air transportation system.

I therefore agree with the statement of the able Chairman of the Subcommittee on Aviation, the distinguished Senator from Nevada (Mr. CANNON), insofar as concerns the effect of this bill, if passed. It will help, although much more will be needed in the form of international agreements and cooperation, to bring this horrible aircraft hijacking menace under control.

The bill, S. 39, is a major remedial step. It has the unanimous support of the Commerce Committee. And, I cannot commend too highly the activities of the Senator from Nevada (Mr. CANNON) in bringing it before the Senate. I therefore hope that this bill will have the unanimous approval of the Senate.

Mr. CANNON. I yield myself 3 minutes.

Mr. President, first, I commend the distinguished Senator from New Hampshire for the tremendous part he has played in developing this measure and for the great help he has been on the subcommittee and the full committee.

One of the committee amendments is a result of his suggestion, which I think is a very good one. The amendment would permit the Administrator to contract with local Government agencies so that they could provide local police presence at many of the smaller airports on a cost reimbursable basis, thus eliminating a requirement for a Federal officer presence at each of the 531 airports. Of course at the major airports Federal officers will supervise boarding of aircraft and provide the police deterrence to prevent sky piracy.

Another committee amendment involves a change made in respect to criminal penalties. As introduced, and as originally requested by the administration, S. 39 provided that the death penalty could be imposed upon persons convicted of air piracy for commission of such an act outside the special aircraft jurisdiction of the United States if the person thereafter was found in the United States.

The Supreme Court has since struck down a similar death penalty provision as unconstitutional. Thereafter, at the recommendation of the Department of Justice, the committee amended the bill to provide for a maximum penalty of life imprisonment for offenders convicted of aircraft piracy outside U.S. jurisdiction but apprehended and tried within the United States.

Third, the committee adopted an amendment to section 24 relating to the search authority conferred on personnel of the air transportation security force, greatly restricting the right to frisk and search passengers traveling in the air transportation system. The amendment states that—

No person shall be frisked or searched unless he has been identified by a weapons detection device as a person who is reasonably likely to be carrying, unlawfully, a concealed weapon and before he has been given an opportunity to remove from his person or clothing, objects which would have evoked a positive response from the weapons detection device, and unless he consents to such search. If consent for such search is denied, such person shall be denied boarding and shall forfeit his opportunity to be transported in air transportation, instrastate air transportation, and foreign air transportation.

Fourth, the committee has amended section 26 of the bill to expressly permit persons to carry, in air transportation, weapons for hunting or other sporting purposes if the presence of such weapons is publicly declared prior to boarding, checked as baggage which may not be opened within the airport confines, and not transported with such person in the passenger compartment of the aircraft.

Finally, the committee has amended section 27 by providing that the authorization for appropriations to establish, administer, and maintain the air transportation security force shall not exceed $35 million for the 2 fiscal years 1973 and 1974. The Federal Aviation Administration has informally advised the committee that such an authorization is adequate to carry out the provisions of this bill during the period between February 1, 1973, and July 1, 1974.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

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

Mr. CANNON. How much time does the Senator desire?

Mr. ABOUREZK. Is the bill open to amendment at this point?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ABOUREZK. I ask for 6 minutes, in order to offer an amendment.

Mr. CANNON. I yield to the distinguished Senator.

Mr. ABOUREZK. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, strike line 11.

On page 11, in line 7 strike the word "Force" and insert "Program."

On page 11, beginning on line 11 after "security program" strike through line 2 on page 12 and insert "is authorized to empower state and local law enforcement personnel who have successfully completed a training program pursuant to subsection (b) of this section to:"

On page 13, in line 9 strike "; and" and insert "Such authority shall be concurrent with that of Federal law enforcement personnel.".

On page 13, beginning on line 10 strike through line 6 on page 14 and insert "Training and Assistance

"(b) In administering the air transportation security program, the Administrator may provide training for State and local law enforcement personnel whose services may be made available by their employers to assist in carrying out the air transportation security program."

On page 14, beginning on line 10 strike ", and security force functions specifically set forth in this section,".

On page 17, in line 8 strike "force" and insert "program".

On page 18, in the titles following line 7 strike "force" and insert "program".

The PRESIDING OFFICER. The Chair observes that the Senator from South Dakota has 15 minutes of his own time.

Mr. ABOUREZK. I will not require 15 minutes.

First, I commend the Senator from Nevada (Mr. CANNON) for reporting an excellent bill. The safeguards in it so far as civil liberties are concerned are adequate, with one exception, and that is the exception to which I invite attention with this amendment.

While the problem of airline hijacking does require strong action, I do not believe that we should attempt to solve this problem by establishing a new Federal police force.

I, therefore, am proposing that S. 39 be amended to authorize the FAA to use State and local law enforcement officials who would be federally trained. The major amendment would appear in section 24 of the bill—pages 11–12. In lieu of the proposed Federal force, it would authorize the FAA Administrator to "empower State and local law enforcement personnel who have successfully completed a program of training pursuant to subsection (b) of this section" to conduct the searches thereafter authorized by the bill.

The whole thrust of Federal involvement in law enforcement, under this and past administrations, has been to confine the Federal role in law enforcement to one of financial and technical aid. In enacting the 1968 Omnibus Crime Control and Safe Streets Act, the Congress was sensitive to the need to insure against Federal police forces. The Law Enforcement Assistance Administration, which was set up under the Safe Streets Act, has been deliberately structured to preserve, not supplant, local law enforcement. Administrators of LEAA have repeatedly stated their opposition to Federal police forces or to Federal domination of law enforcement.

A number of Federal commissions, such as the 1967 Commission on Law Enforcement and Administration of Justice, have stressed the need for a Federal role which supports local law enforcement. Public officials from former Attorney General Ramsey Clark to the late J. Edgar Hoover have repeatedly warned against the federalization of police.

The committee report on S. 39 recognizes that the creation of new Federal police forces is to be viewed with suspicion. It states that while this is a new police force within the Federal Government in one sense, its duties and responsibilities are narrowly circumscribed by the bill.

Narrowly circumscribed activities, however, are not an adequate safeguard against the potential dangers of another Federal police which will become another Federal bureaucracy, with employees who will have a definite stake in preserving their jobs. Also, once the bureaucracy exists, there will be pressure to find other police functions for these officers to perform once their original task is completed.

Departure from the tradition which places law enforcement authority in State and local authorities runs counter to the two basic reasons which have been offered over the years in support of this longstanding policy. It would further alter the relationship between States and the Federal Government powers which have traditionally belonged to the States. Further, it would lower the barriers we have created against federalization of police, in recognition of the fact that diffusion of police authority is the best defense against a too powerful central State police such as we have seen in totalitarian countries.

The Federal Aviation Administration has already, by regulation, established an airport security program consisting primarily of State and local law enforcement officials. Creation of a Federal force which would ultimately replace these officers would be duplicative and wasteful.

The FAA has indicated that 483 of the 504 airports covered by these regulations were already in compliance with the regulations as of February 5, 1973. This means that adequate numbers of law enforcement officials already are on hand to begin the airport security program.

Recruitment and training of a new Federal force which the FAA estimates will exceed 4,500 officers could well take over a year to accomplish. Officials presently scheduled to conduct the airport searches have already received FAA-supervised training under two programs. One program has provided technical instructions to airline personnel and law enforcement personnel on pre-board screening under the Federal program.

The second program provides instruction for local law enforcement supervisors to equip them to conduct aviation security training for the personnel of their local organizations, including aspects of law enforcement support, legal issues, and mechanics of carry-on baggage inspection.

Establishment of a Federal force would require that Federal funds be expended to recruit and train officials to do a job already underway under the FAA regulations.

Mr. President, I yield back the remainder of my time.

Mr. COTTON. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, I find myself a little surprised by the amendment offered by the distinguished Senator from South Dakota (Mr. ABOUREZK). In a sense he might be said to be representing the administration's position, and I am sure it would welcome such assistance.

Mr. ABOUREZK. Mr. President, will the Senator yield briefly?

Mr. COTTON. I yield.

Mr. ABOUREZK. I do not want the Senator from New Hampshire to be mistaken in the viewpoint I represent. I especially today do not want to be associated with the views of the administration on this particular question. I might say that there is distinction that can be made between my position and that of the administration. I would like to see Federal funding of the local police force; and the administration indicated its desire to have the local authorities fund that police force.

I thank the Senator for yielding.

Mr. COTTON. I understand the distinction. I did not intend to misrepresent the position of the Senator from South Dakota (Mr. ABOUREZK). I did not seriously expect he would look upon himself as an administration spokesman.

However, to clear up this matter, it is perfectly true, as I stated earlier, that at hearings held by our Commerce Committee former Secretary of Transportation Volpe, on behalf of the administration, objected to the creation of a new Federal police force. However, as far as I know, I do not believe the administration objects to financing and administration of the air transportation security program by the Federal Government, since this very grave situation is a matter involving interstate commerce.

As a matter of fact, no one, acting on behalf of the administration, has suggested to me that, as the ranking Republican member on the Commerce Committee, this issue be raised in the Senate. Quite frankly, I think this represents one of those controversial issues which may be raised in the other body. For example, as I stated earlier, some members of the House Committee on Interstate and Foreign Commerce would prefer to have the FBI handle it, rather than create a new Federal police force.

But, I thank the Senator from Nevada (Mr. CANNON), who is the chairman of the Aviation Subcommittee, and who guided this bill, handled the matter well

and fairly. Here I wish to emphasize what I said earlier that, while the bill does create a new Federal police force within the FAA to enforce the act, it also authorizes the Administrator of the FAA to deputize State and local law enforcement personnel on a reimbursable basis, as well as to provide training for such personnel, so States that have problems maintaining small rural airports will be protected.

Now, it may well be that the House may decide to place this enforcement authority in the FBI, but keep this authority to deputize State and local police. But, it did not seem to those of us on the minority side of the committee that it would do anything except cause delay to raise this issue in the Senate.

The Senate already has addressed itself very definitely as favoring the enforcement provisions in this bill. It did so in the last Congress on S. 2280. I therefore think I can speak for my colleagues when I say we felt it was desirable, in the interest of expediting consideration of this bill, to report it in a form like S. 2280 of the 92d Congress which the Senate passed so overwhelmingly by a vote of 75 to 1 on September 21, 1972.

I again wish to thank the chairman of the committee (Mr. MAGNUSON) and the subcommittee chairman, the Senator from Nevada (Mr. CANNON). They put latitude in this bill so that State and local police officers may be used and they also provided for their training, which I am sure is the laudable intention of the distinguished Senator from South Dakota (Mr. ABOUREZK). I therefore find myself in sympathy with his position, since I think we are all reluctant to create new Federal police forces because of the great danger involved. Frankly, it might be better if the FBI did handle Federal enforcement at the large airports; and properly trained State and local police, at the small airports.

But, this bill, S. 39, is in accord with the earlier bill, S. 2280, passed by the Senate in the last Congress. And it would only delay matters to raise this issue here in the Senate after it has so definitely expressed its will in similar legislation. Thus, while I have a great deal of sympathy for the attitude of the Senator from South Dakota (Mr. ABOUREZK) as one who generally is in support of the administration, as a member of the Commerce Committee I would hope that the amendment would be rejected and that the Senate would pass the bill.

Mr. CANNON. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, we have considered this matter thoroughly. This is a basic difference between the administration position and those of us who drafted the bill as it is. We have heard testimony from many municipalities and representatives of municipalities, from airport authorities, and also from local law enforcement agencies, none of whom want the responsibility which the Senator from South Dakota would give under his amendment.

This is an attempt to give local government something they do not want and is not properly within the scope of their responsibilities. They feel prevention of air piracy is a Federal responsibility and the Fedreal Government is in a better position to carry out the responsibility, as it does in immigration and customs matters, and matters regarding postal inspection and so on.

I hope the amendment is rejected.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield back the remainder of my time.

Mr. COTTON. I yield back the remainder of my time.

Mr. ABOUREZK. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PEARSON. Mr. President, I rise in support of the Antihijacking Act of 1973. This legislation is the product of months of labor by the Aviation Subcommittee and the Commerce Committee. It reflects the deep concern of the committee with respect to air safety and security.

More than 180 million persons will be transported by U.S. air carriers this year. Each passenger must have effective protection against the threat of air piracy. In view of the number of citizens subjected to potential disaster in the event of illegal acts against civil aviation, the cost of the committee bill is modest indeed. The committee has reported a balanced and thoughtful response to the profoundly challenging problem of structuring an appropriate governmental role in combating air piracy.

Let me say at the outset that the recently announced executive agreement with Cuba on air piracy is of transcending importance in our overall effort to deter hijacking. The clear understanding that air piracy will be viewed by our neighbors as a serious criminal offense eliminates the hope of safe haven or sanctuary in this hemisphere. The administration is to be commended for the successful negotiation of an understanding on air piracy with Cuba. This agreement is evidence that governments with radically different ideologies can find common ground in thwarting serious criminal activity.

Mr. President, the Antihijacking Act of 1973 contains the needed language to implement the Convention for the Suppression of Unlawful Seizure of Aircraft—the Hague convention. This portion of the act was requested by the administration, and is noncontroversial. The Hague convention closes a gap in the international law of air piracy by requiring signatory states to establish jurisdiction over hijacking and to extradite or subject to prosecution all hijackers in custody.

The committee bill extends to the President authority to impose unilaterally primary or secondary air transportation boycotts against those Nations which ignore their responsibilities under the terms of the Hague convention. Because the Hague convention reflects the weight of international law in respect of air piracy, the President would be authorized to impose boycotts against offending nations which are not signatories to the convention.

It is my view that the President should not use the secondary boycott authority except under the most compelling and unusual circumstances. This authority should be invoked only after the total breakdown of intensive negotiations at the highest levels between the United States and the offending nation. The primary utility of the secondary boycott, in my judgment, is the strong commitment on the part of the United States to effective international measures against air piracy which its enactment would reflect.

Adoption of the committee bill would also give the President immediate authority to impose secondary boycotts against those nations which continue to serve air piracy sanctuary states in the event of multilateral agreement to impose such boycotts.

Mr. President, I am gratified and pleased that the committee has retained in its bill my amendment to authorize the executive to limit or revoke the operating authority of foreign air carriers from those nations which fail to meet minimum ICAO standards for physical security of passengers in air transportation. This discretionary authority, as in the case of the secondary boycott, would only be invoked in circumstances which afford no effective alternative remedy.

These provisions dealing with security in international air transportation, taken together, should strengthen the President's hand in negotiations of a bilateral or multilateral nature. The President has demonstrated his deep commitment to the development of international law of air piracy. He has demonstrated a high degree of competence in this area with the successful negotiation of the Hague convention, IACO adoption of the U.S.-sponsored Resolution on the Protection of Aircraft and Passengers, and the U.S.-Cuba bilateral on air piracy. The adoption of S. 39 will enhance the already strong bargaining position of the United States in further discussions with foreign nations on air piracy controls and sanctions.

Mr. President, the effort to establish an effective domestic program of airport security has precipitated a serious difference between the committee and the administration. Both the administration and the committee have concluded that armed guards should be posted at the boarding gates of all 531 U.S. airports serving certificated air carriers. But the administration believes this law enforcement presence should be provided by local authorities. The committee believes that the Federal Government has primary responsibility for enforcing Federal criminal statutes. Therefore, the committee believes that the Federal Government should provide a force of Federal officers to carry out this function.

The committee bill establishes within the Federal Aviation Administration an

Air Security Force which will serve at those large airports requiring a law enforcement presence on a full-time basis. The bill authorizes the deputization of local officers at smaller airports, with Federal compensation to the localities for the services actually performed by these officers.

Then Secretary of Transportation John Volpe announced on December 5, 1972, the issuance of emergency regulations requiring a local law enforcement presence at all airports. These regulations are in effect today. But in many instances local peace officers have no statutory authority to arrest without warrant for suspected violation of Federal criminal statutes—felony or misdemeanor. The committee has received evidence which suggests that State or local officers have no authority to arrest for Federal felony in the following States: Connecticut, Hawaii, Illinois, Indiana, Maine, Massachusetts, Missouri, Montana, Nevada, North Carolina and Vermont. The evidence suggests that local officers have no authority to arrest for Federal misdemeanor not committed in the officer's presence in the following States: Georgia, Idaho, Ohio, Oklahoma, Tennessee, Texas, Washington and Wyoming.

Mr. President, airport operators do not favor the questionable use of "general purpose" law enforcement authority, for example, disorderly conduct, assault, and so forth, to attempt to detain a suspect until the FBI can be summoned to arrest for the Federal offense. Any arrest or detention by local police officials without probable cause would likely be overturned by the courts as an unconstitutional arrest.

Therefore, Mr. President, the question of cost of the law enforcement presence aside, I believe the administration's program suffers from a serious disability. There is little sense in stationing officers at boarding gates to prevent offenses for which they have no authority to arrest. The proper consultation with Congress could have resulted in legislation authorizing the deputization of local peace officers engaged at airports—or at least serious consideration of such legislation. But such consultation has not been forthcoming, and the better course, it seems to me, is to approve the committee bill.

I hope the time may come when the elimination of safe havens will diminish the threat of air piracy. Piracy on the high seas was eliminated when offenders no longer could find sanctuary within the territorial waters of a friendly power.

Until air piracy becomes an offense of purely historical significance, I believe we have a responsibility to structure and implement a comprehensive air security program for the protection of the traveling public. I have had the honor to serve as ranking member of my party on the Aviation Subcommittee throughout the formative stages of the Antihijacking Act of 1973. I believe this bill contains an air security program which will meet the legitimate requirements of the public. I urge its prompt passage by the Senate.

Mr. SCHWEIKER. Mr. President, as the author of the provision in the pending bill requiring the mandatory screening of all airline passengers boarding a commercial aircraft, I urge the adoption of S. 39, the Antihijacking Act of 1973.

The provision I refer to specifically requires the FAA Administrator to issue regulations, as soon as practicable, requiring for at least the next 12 months, that all passengers and their carry-on property carried in air transportation involving large aircraft be screened by weapons detecting devices, operated by employees of air carriers, before the passengers and their baggage are boarded. The bill also authorizes the Administrator to acquire and furnish metal detector devices for this purpose with funds from the airport and airway trust fund.

During the 92d Congress, the Senate adopted an antihijacking bill only to see it die in the House in the closing days of the session. The screening requirement was contained in that bill. It was not a difference of opinion on this provision which contributed to the lack of action in the other body.

Mr. President, the FAA has issued regulations calling for the electronic screening of airline passengers. I commend the agency for its action and I trust it will be vigorous in its enforcement of the regulation.

Although it preceeded the issuance of the FAA regulation, the voluntary screening by some airlines caused me to fail to pass the test on one occasion. A metal shaving mirror in my briefcase triggered an alarm on an electronic screening device. I considered it reassuring that this procedure was capable of detecting a metal object, although in this instance it was not a weapon. It was not an inconvenience and in my judgment the vast majority of the traveling public is pleased with this precautionary procedure.

Mr. President, I urge my colleagues to make mandatory screening a matter of law, not just regulation. The spector of airline hijacking will hang over our heads until we legislate mandatory screening with electronic detection devices. Screening by regulatory action is a step in the right direction, but I am afraid it will not be universal in its application.

For example, the recent court-ordered delays involving the use of security guards at boarding gates illustrates how administrative action can often be less effective than legislation. Until screening is a matter of law, loopholes can continue to exist. Only one loophole in airport screening procedures is needed to precipitate a major skyjacking tragedy.

Clearly, the most critical element in any security program is the screening of passengers prior to their embarkation. Every passenger must be screened.

We must insure that every person who boards an airplane can be assured that none of his fellow passengers is carrying the equipment necessary to hijack that aircraft. The way to do that, obviously, is to require as a matter of law that all passengers be screened by electronic screening devices capable of detecting weapons necessary to threaten the lives of the crew and passengers.

As a matter of public policy we should make it clear that the Nation's airways are secure for the travel of the American public and for the maintenance of commercial air traffic free from the death and destruction which a hijacker can cause.

Mr. PERCY. Mr. President, in 1972, at least 25 airplanes from 13 countries were successfully hijacked, and 26 other attempts were frustrated. In that year alone, 140 airplane passengers and crew were killed, and 97 were wounded, in acts of terrorism. The faltering response of the international community has been largely ineffective. Strong action is urged; weak action is taken. S. 39 is a bill which finally will put some steel into our response to the problem of airplane hijacking.

On December 16, 1970, the United States along with 49 other countries signed the Hague convention, formally known as the Convention for the Suppression of Unlawful Seizure of Aircraft. That Convention imposed certain responsibilities on the parties who signed, and in this bill, the United States meets those responsibilities. Specifically, the bill has three provisions which implement the Hague convention. First, the special aircraft jurisdiction of the United States is expanded to cover situations where the aircraft lands in the United States with the hijacker still on board, and where an aircraft is leased without a crew to someone who is a resident of the United States or whose principal place of business is in the United States.

The second, and perhaps the most important implementing section is that which provides for "universal jurisdiction" over a hijacker so that he truly becomes a man without a country. If a hijacker is found in the United States, even though his actual crime did not involve the United States, he can still be tried in the courts of the United States. When other countries implement this section of the Convention, there will be fewer and fewer countries where a hijacker can safely set foot. He will become an international outlaw who will find no refuge, no safety, no sanctuary in any country in the world.

The third provision specifies the penalty for such an international outlaw. If he is found in the United States and is convicted, he can be imprisoned for up to 20 years.

In addition to implementing the convention which is geared toward an international response to the threat of hijacking, this legislation also gives to the President an extra tool he may use to force those countries who harbor hijackers to stop this practice. If a country continues to allow these international outlaws to find safe harbor within their borders, the President will be authorized to take unilateral action and order a primary boycott of all U.S. air service with that country. In addition, he can order a secondary boycott by suspending all U.S. air service with any other country which continues to maintain air service between itself and a nation which the President has determined is not living up to its international responsibilities under the Hague convention. I realize that the administration does not consider

this a necessary approach because it favors international action. I, too, favor such action. However, when such action is not forthcoming, and when countries continue to flout international law in the face of the nations of the world, then the President should have the option to use this admittedly very tough method of forcing an end to such practices.

In addition, the Secretary of Transportation is given the authority to restrict, limit, or revoke the operating authority of foreign air carriers to the United States when traveling Americans are put in jeopardy due to a lack of necessary security safeguards by these airlines. This is yet another method which the United States can utilize to bring safety and security to international air travel.

I believe that these measures will have a dramatic effect on the international scene with regard to detering hijackers. But nonetheless, action is also called for on the domestic front. Our experience with the Sky Marshall program has taught us the lesson that the best place to stop a hijacker is before he gets aboard an aircraft. Consequently, this legislation sets up strict requirements that must be taken by each of the 531 commercially served airports in this country. All passengers and their carry-on possessions must be subjected to an unobtrusive but effective weapons-detecting device before boarding any aircraft. Should the device be activated, the person would have the opportunity to remove any objects which might have set off the device. If the device still registers the presence of a potential weapon, then the person may be searched, but only if he agrees to the search. He cannot be coerced. He retains the option to refuse to be searched, but he then loses his privilege to fly on that particular aircraft. This provision strikes that delicate balance between the safety of the passengers and the rights of the individual. It seems to me that these provisions meet the "reasonable" test imposed by the fourth amendment.

The enforcement of these security measures is currently slated to be taken over by the local authorities. However, three major problems have arisen over the newly imposed FAA "Emergency Regulations." First, there was not enough time given to local authorities to implement the far-reaching regulations that were issued last December 5. This problem was temporarily alleviated by court order which delayed the regulation from going into effect on February 6, however, that court order has now been lifted.

Second, the ability of local officials to enforce a Federal law has been very haphazardly approached by the FAA. It is extraordinary that though local authorities are supposed to enforce the Federal law under the recent FAA regulations, Illinois authorities and those in at least 10 other States lack the authority to make arrests for Federal felonies.

The third problem is the cost of throwing the security involved into the laps of local authorities. I have been in contact with many local groups in Illinois who strongly favor strict security measures at airports. But they are simply unable to meet the sometimes staggering costs of these measures. For instance, the extra cost to O'Hare Airport in Chicago, is estimated to be $2.5 million—for that one airport alone. The cost to a smaller airport like the one at Moline, Ill., is estimated at around $60,000. The local governments and the local airport operators just cannot come up with that type of money. Let me just refer to a resolution that I received from the Illinois Public Airports Association. I ask unanimous consent that it be printed in the RECORD at the conclusion of my comments.

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

(See exhibit 1.)

Mr. PERCY. That resolution calls on the Illinois congressional delegation to find some financial help as soon as possible for all publicly owned airports which have to comply with the FAA security requirements. This is just one example of the many organizations and individuals who have appealed to me to try and help lift this financial burden off their backs.

Mr. President, I do not believe that this is one of those areas where local governments are anxious to "go it alone" and be free of Federal interference. This is a case where local authorities desperately need Federal guidance and Federal funding. That is why I support this legislation which provides that the financial burden of implementing Federal law that has been enacted to meet a national problem will not be borne by local governments. The bill provides that the cost of purchasing the necessary weapons-detecting devices be funded from the Airport and Airway Trust Fund. Thus the $5.5 million necessary for these purchases will not be coming out of the general revenue since they are essentially airport equipment like any other such equipment which is financed by the trust fund.

The cost of providing the required security forces is greater than that of providing the equipment. Since local authorities are inappropriate for enforcing Federal law, it seems only logical that the enforcement of this legislation be coordinated in one Federal agency. The Air Transportation Security Force, under the direction of the Federal Aviation Administrator, wil lbe the agency to do the job. The cost of providing this national security should be borne not by the local governments, but by the Federal Government. I would hope that as much as possible, the funds for this security force could come out of the trust fund. However, what cannot be covered by the trust fund should be covered by Federal appropriations.

Mr. President, this bill is a very significant step in the fight against hijacking. By this legislation, the Federal Government finally faces up to its responsibilities by enacting legislation which deals with both the international and the national aspects of the problem presented by airline hijacking. It rightly places the primary burden of enforcing and paying for the enforcement of the Federal laws on the Federal Government. I support S. 39 and I hope that it will be speedily enacted and signed into law, for the safety and security of all who travel by air is only jeopardized by delay.

The resolution follows:

EXHIBIT 1

RESOLUTION OF ILLINOIS PUBLIC AIRPORTS ASSOCIATION

To Members of the Illinois Congressional Delegation:

Whereas, the Illinois Public Airports Association was established in 1954 as a Not-For-Profit agency by the members of governing boards and commissions of publicly-owned airports for the following purposes:

(1) Promote and maintain the Illinois Department of Aeronautics as a separate division of State government engaged in professional planning and adequate development of all public aviation facilities; and

(2) Obtain essential counsel and financial support from the Federal Government and appropriate agencies in the construction, maintenance and development of a network of publicly-owned airports in Illinois and other states in the public interest; and

(3) Cooperate with the Congress of the United States, Governor of Illinois, and the Illinois General Assembly in furtherance of a bipartisan and non-political approach to and solution of all ongoing aviation problems; and

Whereas, the Federal Aviation Administration (FAA) and related Federal agencies have presently promulgated specific security procedures at all publicly-owned airports providing scheduled air carrier service for the public with a major portion of the cost of such essential facilities and manpower assumed by local airports; and

Whereas, inasmuch as all publicly-owned airports in Illinois are financially hard-pressed and limited in the amount of local funds available for payment of security personnel, equipment and facilities; and

Whereas, imposition of mandatory security procedures by the Federal Aviation Administration has compelled the governing bodies of publicly-owned airports to divert or transfer funds from current and restricted budgets originally earmarked for normal operations; now therefore be it

Resolved by the Board of Directors of the Illinois Public Airports Association and the members thereof—business men, professional and civic leaders in their respective communities, as well as consulting engineers and suppliers listed as associate members—do hereby respectfully urge all members of the Illinois Congressional delegation to initiate and gain approval without delay of legislation to allocate needed financial assistance to all publicly-owned airports in the State of Illinois complying with FAA security requirements.

Mr. BEALL. Mr. President, as a member of the Senate Aviation Subcommittee, the growing frequency of air hijackings that have confronted our Nation in the last few years has been of great concern to me, as it has been to all of my fellow colleagues. We in the Congress have offered many remedies, the administration has tried numerous suggestions and regulations to halt this heinous crime, and private air carriers have continually sought solutions to this critical problem. Yet, the sword of terrorism continues to hang over the air passengers of this country and the world.

Last year, we in the Senate passed legislation by an overwhelming vote of 75 to 1 that would have served as a major step in combating air piracy. Unfortunately, the other body failed to complete consideration on this priority measure, and the bill died. Thus, no congressional action was taken on aircraft hijacking in 1972. Less than a month after the Congress adjourned, the Nation and the world was horrified as it followed with disbelief the bizarre and dangerous

odyssey of a hijacked Southern Airways DC–9 in its zigzag flight across North America.

Mr. President, the time for action is now. S. 39, now being considered by this body, offers the best approach yet to stop hijacking. Its basic premise is to keep potential hijackers off the plane in the first place by a comprehensive system of surveillance and examination by both trained personnel and effective equipment. It also provides the legislation necessary for the United States to implement the provisions of the Convention for the Suppression of Unlawful Seizure of Aircraft, sometimes known as the Anti-Hijacking Convention. In this regard, it authorizes the President to suspend foreign air carrier service between the United States and any nation which the President has determined is encouraging hijacking and gives the Secretary of Transportation the power to withhold, revoke or limit the operating authority of any foreign air carrier whose government does not administer adequate antihijacking procedures. In short, S. 39 is legislation which can halt the rising incidence of air piracy in this country and internationally, and I urge its favorable consideration.

The most visible section of this bill for the average traveler will probably revolve around the screening procedures included in this bill. Clearly, the major failure in our antihijacking program in the past has been the lack of an effective and thorough screening process designed to keep would-be hijackers off airplanes in the first place. Our "sky-marshal" programs have not worked, and the recent imposition of the so-called hijacker behavioral profile has been ineffectively and inconsistently applied.

Now, I think all parties to this issue—the Congress, the administration, the air carrier and the passenger himself—recognizes the overwhelming need for comprehensive and effective screening of all persons and carry-on luggage. I support the administration's announced policy of such screenings, and I am pleased to note that early reports indicate that the vast majority of passengers are more than willing to accept the slight inconvenience that is necessary to insure a safe and routine flight. S. 39 provides the statutory authority for such security procedures. Additionally, it outlines in clear fashion the limits and procedures of any search in order to make certain that the individual's constitutional right to be free of unreasonable searches is protected to the utmost degree.

The most controversial area of this bill, as was brought out in the committee hearings, regards the ultimate responsibility of who shall enforce our Federal laws relative to this question. On December 5 the Secretary of Transportation announced new regulations requiring the search or screening of persons and luggage for security purposes. As I have pointed out, such procedures are a major part of S. 39. But the Department further ordered that each of America's 531 airports accommodating air carriers be required to furnish armed law enforcement officers to supervise boarding at each gate at all airports. In other words, the Federal Government told the local authorities that they would now be responsible for enforcing Federal regulations—and paying for them, too.

Mr. President, if there ever was an interstate issue, air hijacking is it. The problem almost always crosses State lines; and therefore, I believe the solution must do likewise. S. 39 clearly recognizes the responsibility of the Federal Government to provide airline safety and establishes a coordinated approach to a situation which requires uniform standards on the ground and quick and coordinated efforts if a hijacking does occur. The testimony of Southern Airways officials at our hearings on the bill highlight the dangerous and confused atmosphere which occurs when many authorities are working, often on different courses, to terminate the flight. Under this bill, we will be providing Federal presence at most of our major airports, as well as setting up reasonable procedures where smaller hubs are equally protected by the reimbursement on a cost basis of part-time services of local law officials on their regular rounds. With the kind of investment that we are making for equipment, it seems to me wise to insure that we make the best possible use of it.

Finally, the bill puts strong weapons in the hands of the Administration to make sure that other nations uphold their international responsibility to fight air hijacking. These international provisions will go hand-in-hand with our domestic efforts to insure that the American, and world, traveler can proceed on his way without the constant fear that his flight will be diverted and his life endangered.

S. 39 does not offer any easy panaceas for a difficult problem. It does, however, offer realistic and tough solutions to this situation which threatens all of us. I urge its passage.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Washington (Mr. MAGNUSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Iowa (Mr. HUGHES) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The Senator from Texas (Mr. TOWER) is absent on official business.

The Senator from New Mexico (Mr. DOMENICI) is absent on official business.

If present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from New York (Mr. JAVITS) would each vote "yea."

The result was announced—yeas 89, nays 0, as follows:

[No. 24 Leg.]

YEAS—89

Abourezk	Ervin	Montoya
Aiken	Fannin	Moss
Allen	Fong	Muskie
Baker	Fulbright	Nelson
Bartlett	Griffin	Nunn
Beall	Gurney	Packwood
Bellmon	Hansen	Pastore
Bennett	Hart	Pearson
Bentsen	Haskell	Pell
Bible	Hatfield	Percy
Biden	Hathaway	Proxmire
Brock	Helms	Randolph
Brooke	Hollings	Ribicoff
Buckley	Hruska	Roth
Burdick	Huddleston	Saxbe
Byrd, Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Inouye	Scott, Pa.
Cannon	Jackson	Scott, Va.
Case	Johnston	Sparkman
Chiles	Kennedy	Stafford
Church	Long	Stevens
Clark	Mansfield	Stevenson
Cook	Mathias	Symington
Cotton	McClellan	Taft
Curtis	McClure	Talmadge
Dole	McGee	Thurmond
Dominick	McGovern	Tunney
Eagleton	McIntyre	Weicker
Eastland	Metcalf	Williams
	Mondale	Young

NAYS—0

NOT VOTING—11

Bayh	Gravel	Magnuson
Cranston	Hartke	Stennis
Domenici	Hughes	Tower
Goldwater	Javits	

So the bill (S. 39) was passed, as follows:

S. 39

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

TITLE I—ANTIHIJACKING ACT OF 1973

SECTION 1. This title may be cited as the "Antihijacking Act of 1973".

SEC. 2. Section 101(32) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301(32)), is amended to read as follows:

"(32) The term 'special aircraft jurisdiction of the United States' includes—

"(a) civil aircraft of the United States;

"(b) aircraft of the national defense forces of the United States;

"(c) any other aircraft within the United States;

"(d) any other aircraft outside the United States—

"(i) that has its next scheduled destination or last point of departure in the United States, if that aircraft next actually lands in the United States; or

"(ii) having 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft, committed aboard, if that aircraft lands in the United States with the alleged offender still aboard; and

"(e) other aircraft leased without crew to a lessee who has his principal place of business in the United States, or if none, who has his permanent residence in the United States;

while that aircraft is in flight, which is from the moment when all the external doors are closed following embarkation until the moment when one such door is opened for disembarkation, or, in the case of a forced landing, until the competent authorities take over the responsibility for the aircraft and for the persons and property aboard."

SEC. 3. Section 902 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472), is amended as follows:

(a) By striking out the words "violence and" in subsection (i) (2) thereof, and by inserting the words "violence, or by any other form of intimidation, and" in place thereof.

(b) By redesignating subsections (n) and (o) thereof as "(o)" and "(p)", respectively, and by adding the following new subsection:

"AIRCRAFT PIRACY OUTSIDE SPECIAL AIRCRAFT JURISDICTION OF THE UNITED STATES

"(n)(1) Whoever aboard an aircraft in flight outside the special aircraft jurisdiction of the United States commits 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft, and is afterward found in the United States shall be punished by imprisonment for not less than twenty years or for more than life.

"(2) A person commits 'an offense', as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft, when, while aboard an aircraft in flight, he—

"(A) unlawfully, by force or threat thereof, or by any other form of intimidation, seizes, or exercises control of that aircraft, or attempts to perform any such act; or

"(B) is an accomplice of a person who performs or attempts to perform any such act.

"(3) This subsection shall only be applicable if the place of takeoff or the place of actual landing of the aircraft on board which the offense as defined in paragraph 2 of this subsection is committed is situated outside the territory of the State of registration of that aircraft.

"(4) For purposes of this subsection an aircraft is considered to be in flight from the moment when all the external doors are closed following embarkation until the moment when one such door is opened for disembarkation, or, in the case of a forced landing, until the competent authorities take over responsibility for the aircraft and for the persons and property aboard."

(c) By amending redesignated subsection (o) thereof by striking out the reference "(m)", and by inserting the reference "(n)" in place thereof.

SEC. 4. (a) Title XI of the Federal Aviation Act of 1958 is amended by adding a new section 1114 as follows:

"SUSPENSION OF AIR SERVICES

"SEC. 1114. (a) Whenever the President determines that a foreign nation is acting in a manner inconsistent with the Convention for the Suppression of Unlawful Seizure of Aircraft, or if he determines that a foreign nation is used as a base of operations or training or as a sanctuary or which arms, aids or abets in any way terrorist organizations which knowingly use the illegal seizure of aircraft or the threat thereof as an instrument of policy, he may, without notice or hearing and for as long as he determines necessary to assure the security of aircraft against unlawful seizure, suspend (1) the right of any air carrier and foreign air carrier to engage in foreign air transportation, and any persons to operate aircraft in foreign air commerce, to and from that foreign nation, and (2) the right of any foreign air carrier to engage in foreign air transportation, and any foreign person to operate aircraft in foreign air commerce, between the United States and any foreign nation which maintains air service between itself and that foreign nation. Notwithstanding section 1102 of the Act, the President's authority to suspend rights in this manner shall be deemed to be a condition to any certificate of public convenience and necessity or foreign air carrier or foreign aircraft permit issued by the Civil Aeronautics Board and any air carrier operating certificate or foreign air carrier operating specification issued by the Secretary of Transportation.

"(b) It shall be unlawful for any air carrier or foreign air carrier to engage in foreign air transportation, or any person to operate aircraft in foreign air commece, in violation of the suspension of rights by the President under this section.".

(b) Title XI of the Federal Aviation Act of 1958 is amended by adding a new section 1115 as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115. (a) Not later than thirty days after the date of enactment of this Act the Secretary of State shall notify each nation with which the United States has a bilateral air transport agreement or, in the absence of such agreement, each nation whose airline or airlines hold a foreign air carrier permit or permits issued pursuant to section 402 of the Federal Aviation Act of 1958, of the provisions of subsection (b) of this section.

"(b) In any case where the Secretary of Transportation, after consultation with the competent aeronautical authorities of a foreign nation with which the United States has a bilateral air transport agreement and in accordance with the provisions of that agreement or, in the absence of such agreement, of a nation whose airline or airlines hold a foreign air carrier permit or permits issued pursuant to such section 402, finds that such nation does not effectively maintain and administer security measures relating to transportation of persons or property or mail in foreign air transportation that are equal to or above the minimum standards which are established pursuant to the Convention on International Civil Aviation or, prior to a date when such standards are adopted and enter into force pursuant to such convention, the specifications and practices set out in appendix A to Resolution A17–10 of the 17th Assembly of the International Civil Aviation Organization, he shall notify that nation of such finding and the steps considered necessary to bring the security measures of that nation to standards at least equal to the minimum standards of such convenion or such specifications and practices of such resolution. In the event of failure of that nation to take such steps, the Secretary of Transportation, with the approval of the Secretary of State, may withhold, revoke, or impose conditions on the operating authority of the airline or airlines of that nation."

SEC. 5. Section 901(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)) is amended by inserting the words "or section 1114" before the words "of this Act" when those words first appear in this section.

SEC. 6. Section 1007(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1487(a)) is amended by inserting the words "or, in the case of a violation of section 1114 of this Act, the Attorney General," after the words "duly authorized agents,".

SEC. 7. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading

"Sec. 902. Criminal penalties.",

is amended by striking out the following items:

"(n) Investigations by Federal Bureau of Investigation.

"(o) Interference with aircraft accident investigation.";

and by inserting the following items in place thereof:

"(n) Aircraft piracy outside special aircraft jurisdiction of the United States.

"(o) Investigations by Federal Bureau of Investigation.

"(p) Interference with aircraft accident investigation.";

and that portion which appears under the heading

"TITLE XI—MISCELLANEOUS"

is amended by adding at the end thereof the following:

"Sec. 1114. Suspension of air services.

"Sec. 1115. Security standards in foreign air transportation.".

TITLE II—AIR TRANSPORTATION SECURITY ACT OF 1973

SEC. 21. This title may be cited as the "Air Transportation Security Act of 1973".

SEC. 22. The Congress hereby finds and declares that—

(1) the United States air transportation system which is vital to the citizens of the United States is threatened by acts of criminal violence and air piracy;

(2) the United States air transportation system continues to be vulnerable to violence and air piracy because of inadequate security and a continuing failure to properly identify and arrest persons attempting to violate Federal law relating to crimes against air transportation;

(3) the United States Government has the primary responsibility to guarantee and insure safety to the millions of passengers who use air transportation and intrastate air transportation and to enforce the laws of the United States relating to air transportation security; and

(4) the United States Government must establish and maintain an air transportation security program and an air transportation security-law enforcement force under the direction of the Administrator of the Federal Aviation Administration in order to adequately assure the safety of passengers in air transportation.

SEC. 23. (a) Title III of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"SCREENING OF PASSENGERS IN AIR TRANSPORTATION

"SEC. 315. (a) The Administrator shall as soon as practicable prescribe reasonable regulations requiring that all passengers and all property intended to be carried in the aircraft cabin in air transportation or intrastate air transportation be screened by weapon-detecting devices operated by employees of the air carrier, intrastate air carrier, or foreign air carrier prior to boarding the aircraft for such transportation. One year after the effective date of such regulation the Administrator may alter or amend such regulations, requiring a continuation of such screening by weapon-detecting devices only to the extent deemed necessary to assure security against acts of criminal violence and air piracy in air transportation and intrastate air transportation. The Administrator shall submit semiannual reports to the Congress concerning the effectiveness of this screening program and shall advise the Congress of any regulations or amendments thereto to be prescribed pursuant to this subsection at least thirty days in advance of their effective date.

"(b) The Administrator shall acquire and furnish for the use by air carriers and intrastate air carriers, at domestic and foreign airports, and for foreign air carriers for use at airports within the United States, sufficient devices necessary for the purpose of subsection (a) of this section, which devices shall remain the property of the United States.

"(c) The Administrator may exempt, from provisions of this section, air transportation operations performed by air carriers operating pursuant to part 135, title 14 of the Code of Federal Regulations."

(b) Notwithstanding any other provision of law, there are authorized to be appropriated from the Airport and Airway Trust Fund established by the Airport and Airway Revenue Act of 1970 such amounts, not to exceed $5,500,000, to acquire the devices required by the amendment made by this section.

SEC. 24. Title III of the Federal Aviation Act of 1958 is further amended by adding at the end thereof the following additional new section:

"AIR TRANSPORTATION SECURITY FORCE

"POWERS AND RESPONSIBILITIES

"SEC. 316. (a) The Administrator of the Federal Aviation Administration in administering the air transportation security program shall establish and maintain an air transportation security force of sufficient size to provide a law enforcement presence and capability at airports in the United States adequate to insure the safety from criminal violence and air piracy of persons traveling in air transportation or intrastate air transportation: *Provided, however,* That notwithstanding any other provision of law to the contrary, the Administrator may not require, by regulation or otherwise, the presence at airports in the United States of State or local law enforcement personnel to assist in or support the screening of passengers and property prior to boarding, or to enforce, or to act as a deterrent against acts which are prohibited by, United States statutes other than as authorized by this subsection. He shall be empowered, and designate each employee of the force who shall be empowered, pursuant to this title, to—

"(1) detain and search any person aboard, or any person attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation to determine whether such person is unlawfully carrying a dangerous weapon, explosive, or other destructive substance: *Provided, however,* That no person shall be frisked or searched unless he has been identified by a weapons detection device as a person who is reasonably likely to be carrying, unlawfully, a concealed weapon and before he has been given an opportunity to remove from his person or clothing, objects which could have evoked a positive response from the weapons detection device, and unless he consents to such search. If consent for such search is denied, such person shall be denied boarding and shall forfeit his opportunity to be transported in air transportation, intrastate air transportation, and foreign air transportation;

"(2) search or inspect any property, at any airport, which is aboard, or which is intended to be placed aboard, any aircraft in, or intended for operation in, air transportation or intrastate air transportation to determine whether such property unlawfully contains any dangerous weapon, explosive, or other destructive substance;

"(3) arrest any person whom he has reasonable cause to believe has (A) violated or has attempted to violate section 902 (i), (j), (k), (l), or (m) of the Federal Aviation Act of 1958, as amended, or (B) violated, or has attempted to violate, section 32, title 18, United States Code, relating to crimes against aircraft or aircraft facilities; and

"(4) carry firearms when deemed by the Administrator to be necessary to carry out the provisions of this section,

and, at his discretion, he may deputize State and local law enforcement personnel whose services may be made available by their employers, on a cost-reimbursable basis, to exercise the authority conveyed in this subsection.

"TRAINING AND ASSISTANCE

"(b) In administering the air transportation security program, the Administrator may—

"(1) provide training for State and local law enforcement personnel whose services may be made available by their employers to assist in carrying out the air transportation security program, and

"(2) utilize the air transportation security force to furnish assistance to an airport operator, or any air carrier, intrastate air carrier, or foreign air carrier engaged in air transportation or intrastate air transportation to carry out the purposes of the air transportation security program.

"OVERALL RESPONSIBILITY

"(c) Except as otherwise expressly provided by law, the responsibility for the administration of the air transportation security program, and security force functions specifically set forth in this section, shall be vested exclusively in the Administrator of the Federal Aviation Administration and shall not be assigned or transferred to any other department or agency."

SEC. 25. Section 1111 of the Federal Aviation Act of 1958 is amended to read as follows:

"AUTHORITY TO REFUSE TRANSPORTATION

"(a) The Administrator shall, by regulation, require any air carrier, intrastate air carrier, or foreign air carrier to refuse to transport—

"(1) any person who does not consent to a search of his person to determine whether he is unlawfully carrying a dangerous weapon, explosive, or other destructive substance as prescribed in section 316(a) of this Act, or

"(2) any property of any person who does not consent to a search or inspection of such property to determine whether it unlawfully contains a dangerous weapon, explosive, or other destructive substance.

Subject to reasonable rules and regulations prescribed by the Administrator, any such carrier may also refuse transportation of a passenger or property when, in the opinion of the carrier, such transportation would or might be inimical to safety of flight.

"(b) Any agreement for the carriage of persons or property in air transportation or intrastate air transportation by an air carrier, intrastate air carirer, or foreign air carrier for compensation or hire shall be deemed to include an agreement that such carriage shall be refused when consent to search persons or inspect such property for the purposes enumerated in subsection (a) of this section is not given."

SEC. 26. Section 902(1) of the Federal Aviation Act of 1958 is amended to read as follows:

"CARRYING WEAPONS ABOARD AIRCRAFT

"(l)(1) Whoever, while aboard, or while attempting to board, any aircraft in or intended for operation in air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, explosive, or other destructive substance, or has placed, attempted to place, or attempted to have placed aboard such aircraft any property containing a concealed deadly or dangerous weapon explosive, or other destructive substance, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(2) Whoever willfully and without regard for the safety of human life or with reckless disregard for the safety of human life, while aboard, or while attempting to board, any aircraft in or intended for operation in air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, explosive, or other destructive substance, or has placed, attempted to place, or attempted to have placed aboard such aircraft any property containing a concealed deadly or dangerous weapon, explosive, or other destructive substance shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(3) This subsection shall not apply to law enforcement officers of any municipal or State government, or the Federal Government, while acting within their official capacities and who are authorized or required within their official capacities, to carry arms, or to persons who may be authorized, under regulations issued by the Administrator, to carry concealed deadly or dangerous weapons in air transportation or intrastate air transportation; nor shall it apply to persons transporting weapons for hunting or other sporting activities if the presence of such weapons is publicly declared prior to the time of boarding, checked as baggage which may not be opened within the airport confines, and not transported with such person in the passenger compartment of the aircraft."

SEC. 27. To establish, administer, and maintain the air transportation security force provided in section 316 of the Federal Aviation Act of 1958, there is hereby authorized to be appropriated for fiscal years 1973 and 1974 the sum of $35,000,000.

SEC. 28. Section 101 of the Federal Aviation Act of 1958, as amended, is amended by adding after paragraph (21) the following:

"(22) 'Intrastate air carrier' means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, solely to engage in intrastate air transportation.

"(23) 'Intrastate air transportation' means the carriage of persons or property as a common carrier for compensation or hire, by turbojet-powered aircraft capable of carrying thirty or more persons, wholly within the same State of the United States."

and is further amended by redesignating paragraph (22) as paragraph (24) and redesignating the remaining paragraphs accordingly.

SEC. 29. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading:

"TITLE III—ORGANIZATION OF AGENCY AND POWERS AND DUTIES OF ADMINISTRATOR"

is amended by adding at the end thereof the following:

"Sec. 315. Screening of passengers in air transportation.
"Sec. 316. Air transportation security force.
"(a) Powers and responsibilities.
"(b) Training and assistance.
"(c) Overall responsibility.".

Mr. CANNON. Mr. President, I move to reconsider the vote by which the bill passed the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECONFIRMATION OF FEDERAL JUDGES

Mr. HARRY F. BYRD, JR. Mr. President, on January 9, 1973, I introduced for myself, the Senator from Alabama (Mr. ALLEN), the Senator from Georgia (Mr. NUNN), and the Senator from South Carolina (Mr. THURMOND) Senate Joint Resolution 13, proposing an amendment to the Constitution with respect to the reconfirmation of Federal judges after a term of 8 years.

Mr. President, I ask unanimous consent that Senate Joint Resolution 13 be reprinted and that the name of the distinguished senior Senator from Georgia (Mr. TALMADGE) be added as a cosponsor.

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

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the joint resolution (S.J. Res. 13) be printed at this point in the RECORD.

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

S.J. RES. 13

Mr. Harry F. Byrd, Jr. (for himself, Mr. Allen, Mr. Nunn, Mr. Thurmond, and Mr. Talmadge) introduced the following joint resolution:

Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmaion of judges after a term of eight years

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of article III of the Constitution, each judge of the Supreme Court and each judge of an inferior court established by Congress under section 1 of article III shall hold his office during good behavior for terms of eight years. During the eighth year of each term of office of any such judge, his nomination for an additional term of office for the judgeship which he holds shall be placed before the Senate in the manner provided by the law, for the advice and consent of the Senate to such additional term, unless that judge requests that his nomination not be so placed. Any judge whose nomination for an additional term of office is so placed before the Senate may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his prior term of office, whichever is later.

"SEC. 2. The terms of office established by section 1 of this article shall apply to any individual whose nomination for a judgeship is submitted after the ratification of this article to the Senate for its advice and consent."

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the speech I made in the Senate on January 9, 1973, captioned "Reconfirmation of Federal Judges," be printed in the RECORD.

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

RECONFIRMATION OF FEDERAL JUDGES

This resolution is identical to S.J. Res. 106 of the 92nd Congress, which was the subject of a hearing on May 19, 1972, before the Subcommittee on Constitutional Amendments of the Committee on the Judiciary. My proposal is cosponsored by Senators Allen and Thurmond.

As more and more power is centralized in the federal government, we need to appraise more critically the justification for life appointment of federal judges.

There is widespread dissatisfaction with the existing system, under which some judges are exercising dictatorial powers. I believe that a full and open discussion of the questions involved will be healthy and valuable.

Let me begin this discussion by outlining what my proposed amendment would do, and what it would not do.

I want to emphasize at the outset that I fully support the concept of an independent judiciary. The amendment I have introduced simply provides a method by which the courts might be made more accountable.

The philosophy of this proposal I am making was perhaps best expressed by Thomas Jefferson, when he said:

"In questions of power, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

My amendment provides that federal judges serve in office for a term of eight years, at the end of which term they would be automatically nominated for reconfirmation by the Senate, unless they requested otherwise. If reconfirmed by the Senate, the judges would serve for an additional eight years.

During the period of consideration by the Senate as to whether or not to give its advice and consent to the reconfirmation of any judge, that judge would continue in office. Moreover his new, eight-year term of office would commence from the day after the date that the Senate approved the reconfirmation—or from the day after the expiration of his earlier term, whichever date is later.

The amendment would not affect any judge sitting prior to its ratification.

This, then is the basic mechanism which I am suggesting.

The question arises at once: Is this a radical proposal, out of keeping with American tradition, or is it rather a reasonable means of achieving accountability of judges without destroying their basic independence? I submit that it is the latter.

In the first place, 47 of the 50 states now have fixed terms for their own judiciary. Of the 3 states that have no such provision, only Rhode Island has life tenure for judges. Massachusetts and New Hampshire provide for mandatory retirement at age 70.

The experience of Virginia may be of significance. Originally the state constitution provided for life tenure. In 1850, a revised constitution established the practice of popular election of judges. Twenty years later, Virginia converted to the present method of election by the General Assembly for specific terms of years.

The present Virginia system, which is directly parallel to the method which I have proposed for the federal judiciary, has worked well. Even though elected by the General Assembly, the Virginia judiciary never has hesitated to assert its independence. The Virginia Supreme Court has exercised its long-established power to strike down legislative enactments.

Information furnished by the Executive Secretary of the Supreme Court of Virginia reveals that in no case has a justice of the court been denied a second term after he has once been elected by the legislature.

The experience of Virginia indicates that any fears of lack of independence on the part of judges who are subject to legislative reconfirmation are without foundation.

Indeed, I know of no documented assertion that the independence or integrity of the judiciary has been compromised in any state as a result of fixed tenure.

When we stop to think about it, why should any official in a democracy have lifetime tenure? In the modern world, only kings, queens, emperors, maharajahs—and United States federal judges—hold office for life.

I say again—why should any public official in a democracy have lifetime tenure?

I do not conceive this to be a liberal-vs.-conservative issue. Senator Robert M. LaFollette, Sr., of Wisconsin, perhaps one of the leading progressives of this century, in 1920, denounced "the alarming usurpation of power by the federal courts." He called for constitutional and statutory changes to end life-time tenure for federal judges.

Certainly I see no reason why the question of lifetime appointment for judges, as opposed to a reasonable system of reconfirmation, should not be submitted to the people of this nation.

For well over a century after the creation of this nation, the unwritten canon of judicial restraint, as expressed by such eminent justices as Holmes, Brandeis, Stone, Hughes, and Frankfurter, was one of our most hallowed legal principles.

But in this century, and particularly since the 1950's, first the Supreme Court and later the lower federal courts have cast aside much of the doctrine of restraint. In all too many instances the federal courts have gone well beyond the sphere of *interpreting* the law, and into the domain of *making* the law.

Under these circumstances, we are faced with a dilemma. Judges who are accountable to no one are invading the sphere of the elected representatives of the people, handing down decisions which have great impact on the lives of the citizenry. This situation is basically inequitable and contrary to the spirit of democracy.

Under existing law, no real solution is available for the present dilemma. It is not possible to legislate resurrection of the doctrine of judicial restraint.

The Constitution established a subtle system of checks and balances; the question is whether the checks upon the mid-20th Century Judiciary are not entirely too subtle.

Impeachment has not provided a very useful means of policing the judges. Thomas Jefferson referred to the impeachment process as "a bungling way of removing judges . . . an impractical thing—a mere scarecrow."

Lord Bryce, in his observations of our government, said: "Impeachment is the heaviest piece of artillery in the Congressional arsenal, but because it is so heavy it is unfit for ordinary use."

Characterizing congressional lethargy in this area, Woodrow Wilson said of impeachment:

"It requires something like passion to set them a-going; and nothing short of the grossest offenses against the plain law of the land will suffice to give them speed and effectiveness."

For lasting reform, aimed at setting the judiciary within the same restrictions on power and authority that are applicable to the legislative and judicial branches, some change in the law will be necessary.

Really basic reform could best be achieved through a system automatically applicable to all members of the federal judiciary, as I have proposed. It is nondiscriminatory in its approach and would serve to guard the interests of the people, through the representatives in the Senate, without compromising the fundamental independence of the judges who would be subject to reconfirmation.

In connection with the issue of independence, we already have seen that the experience of the states indicates no jeopardy of the judiciary's independence need be feared from a fixed-tenure system. But we need to look further into this question of independence. We need to consider what is the real purpose of judicial independence.

I think the true purpose of independence never was better stated than by Professor Philip Kurland of the University of Chicago Law School. In a discussion of the proposal by former Senator Tydings of Maryland to create a commission of judges to police the judiciary, Professor Kurland stated.

"It should be kept in mind that the provisions for securing the independence of the judiciary were not created for the benefit of the judges, but for the benefit of the judged."

I believe this to be a cardinal principle. Judicial independence should not be regarded as a fortress for the members of the Judiciary, whether or not one believes that some judges are actual or potential oligarchs; on

the contrary, it is supposed to be a shelter for the true rights of the people.

It is my contention that a uniform, reasonable system of fixed tenure and reconfirmation, such as I am proposing in my resolution, would enhance the rights of the people. Therefore it is, in its main thrust and intent, in line—not in conflict—with the real purpose of judicial independence.

There is no need to provide any official in a democracy with the prerogatives of a medieval baron in order to safeguard his independence of judgment. Indeed, to insulate a judge—or any other public official—from all accountability for his actions is to invite arbitrary action contrary to the will and welfare of the people.

Life tenure, devoid of restraint and accountability, is not consistent with the movement of this nation toward a greater voice for the people in the operations of their government. I think it is time that we abolished it.

I submit that basic questions about the nature of our democracy are involved in the issue of judicial tenure. Such basic questions are best decided at the level closest to the people themselves. Therefore, I hope that the Congress will conduct a full debate and give final approval to this proposal, and that the question will be taken to the people through their elected representatives in the several state legislatures.

ADDITIONAL PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the resumption of routine morning business for not to exceed 1 hour with statements limited therein to 5 minutes.

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

The Senator from Alaska is recognized.

(The remarks Mr. STEVENS made at this point on the introduction of S. 970, on the construction of a trans-Alaska pipeline, are printed in the routine morning business section of the RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ORDER FOR ADJOURNMENT UNTIL 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11:30 a.m. tomorrow.

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 unanimous consent that the order for the quorum call be rescinded.

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

WAIVER OF LIMITATION ON SPEECHES UNDER RULE VIII DURING CONSIDERATION OF RESOLUTIONS FOR FUNDING OF SENATE ACTIVITIES TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Nevada (Mr. CANNON), chairman of the Committee on Rules and Administration, earlier today sought and secured permission for that committee to have until midnight tonight to submit committee reports with respect to various money resolutions. Those resolutions will be reported tonight and will be on the calendar tomorrow morning.

There is presently no other business on the calendar that could be conducted tomorrow. I therefore ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate proceed to the call of the calendar with respect to the various committee money resolutions, and that the 5-minute limitation on speeches under rule VIII be waived.

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 assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR TAFT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the remarks of the distinguished Senator from Mississippi (Mr. EASTLAND), the distinguished Senator from Ohio (Mr. TAFT) be recognized for not to exceed 15 minutes, prior to the recognition of the junior Senator from West Virginia.

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 legislative clerk proceeded to call the roll.

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

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of the orders for the recognition of Senators, there be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 11:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. EASTLAND, Mr. TAFT, Mr. ROBERT C. BYRD, and Mr. MCCLELLAN.

At the conclusion of the aforementioned orders for the recognition of Senators, there will be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes.

Following the close of routine morning business, the Senate will proceed to the call of the Calendar with respect to various committee money resolutions which are being reported today.

It is anticipated that there will be perhaps more than one yea-and-nay vote, on tomorrow with respect to the various money resolutions. I would anticipate that we would be able to complete the action on those resolutions, tomorrow afternoon. But Senators should be aware of the likelihood of at least one yea-and-nay vote and possibly more yea-and-nay votes tomorrow.

ADJOURNMENT TO 11:30 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 adjournment until 11:30 a.m. tomorrow.

The motion was agreed to; and at 5:15 p.m. the Senate adjourned until tomorrow, Thursday, February 22, 1973, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 21, 1973:

U.S. DISTRICT COURTS

Vincent P. Biunno, of New Jersey, to be a U. S. district judge for the district of New Jersey, vice Robert Shaw, deceased.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

David Luke Norman, of the District of Columbia, to be an associate judge, Superior Court of the District of Columbia, for the term of 15 years vice Stanley S. Harris, elevated.

FEDERAL BUREAU OF INVESTIGATION

Louis Patrick Gray III, of Connecticut, to be Director of the Federal Bureau of Investigation, new position.