zine has just published its annual list of 500 largest American industrial companies, and three of the top five are automobile companies. (The other two are Exxon and General Electric.)

Part of the American manufacturers' trouble arises, evidently, from their habit of putting extremely heavy engines in their cars. Efficiency is supposed to be one attribute of a good machine, but the recent gasoline mileage figures published by the Environmental Protection Agency show that in most weight classes the foreign imports tend to get significantly better mileage than American cars. In response, it might be argued that foreign manufacturers are designing their cars for markets where gas costs twice as much as it does here. But the American companies are making cars for a market in which both the government and the oil companies are now anxiously exhorting drivers to keep their tire pressure up and their speed down to avoid another kind of business catastrophe, a gasoline shortage this summer. The gasoline mileage of the average American car has dropped steadily in recent years.

American automobile makers usually react with hostility to the suggestion that they are producing the wrong kind of car. They keep saying that they are meeting the American consumers' taste. Meanwhile, of course, the level of imports keeps rising. The automobile industry is larger than ever, richer than ever, and central to American prosperity. But there is some grounds to suspect that it is a little less quick and flexible than it used to be, in responding to new challenges.

LISTEN WORLD

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 1973

Mr. HOGAN. Mr. Speaker, every year the Bowie-Crofton Optimists' Club conducts an oratorical contest, a praiseworthy event aimed at enriching the lives of young people by giving them valuable experience in public speaking. This year's winner was James Stascavage, a 12-year-old resident of Bowie, Md., and a student at St. Pius School there.

I would like to share Jim's speech with my colleagues because it illustrates so well the balance of optimism and concern that is felt by the young people into whose hands we shall deliver this country. I insert Jim Stascavage's speech, entitled "Listen World," in the RECORD.

The speech follo. :

LISTEN WORLD!

(By James Stascavage)

"Ya pays yer money and ya takes yer choice!" So the barkers at the carnival would yell to the people that they were trying to con. Well—at my age I don't have the money to pay, or, at least today, the choice to take, But that doesn't mean that I don't have likes or dislikes.

For example, I don't like some of the false advertising we have on TV, in the newspapers and in the magazines today. In many cases, this is just propaganda that is waiting for the unsuspecting public. Ads that say that there are tremendous sales on household items oftentimes furnish the people with broken cheap goods that have exorbitant price tags. I'm not saying that all ads are wrong.

Many are honest and true, and aid the public in deciding which are the right buys. But still, who can tell whether or not they will be the victims of a bait-and-switch deal. That is, they show a beautiful piece of furniture on TV at a very low price—but!—When you go there the same piece of furniture is run-down and faulty. The salesman then shows you another piece—beautiful—but about three times more expensive! Hearing ads on TV and seeing them in the paper, who knows which is the truth and which one picks his pocket? These con-men exist even in the small rural towns and can get away with almost anything.

But I have other things besides complaints. I like the way you're taking notice of the pollution problems and helping to support ecology. I don't understand why you put up with people who still pollute our natural resources. I would be glad if we could go back to the Reconstruction Era just after the Civil War, but I guess that no one can stop economic development, not even you, World.

Pollution starts when factories try to compete with each other in the manufacturing of goods. They need electricity and take a good percent of it from the water in hydroelectric plants. The electricity is put to use in companies and corporations. But in many cases the owners of companies don't know where their wastes are going. Why don't you tell them World!

Many of our streams and lakes are cluttered with debris because some men were too greedy to worry about pollution. Lake Erie is so full of muck that lake trout, pike and pickerel die, float to the top and cause an organic pollution. People who bought homes on Lake Erie twenty years ago thought it would be a great recreation area. Then the companies moved in and turned it into one great big mess.

But the pollution in the water doesn't come from factories on land alone. Huge freighters and steamers leave big clumps of oil and waste floating in the oceans and lakes. Oil wells that float in the seas also leave their mementos to our age of civilization.

Praise is also due to your concern of the welfare of your people. Many poverty stricken children and adults die each day. But organizations such as Hope and Care help to save some of these people.

Poverty results when people have no money or valuables and no jobs to produce an income. With no income, their credit rating is zero and so are their chances of owning their own land and home. But when poor families get together they form a community called a ghetto. Organizations help, but while they can't completely eliminate poverty, they do get rid of a good part of it. With the help of people around the world, poverty will be a word of the past.

With these and other complaints and praises I give you credit for doing a very good job. You have your failures and your weaknesses, but you get straight A's in trying to keep yourself together for generations to come.

SENATE—*Monday, May 21, 1973*

The Senate met at 12 o'clock noon and was called to order by Hon. ROBERT T. STAFFORD, a Senator from the State of Vermont.

PRAYER

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

Almighty God, who hast brought us to the beginning of a new week, remind us of our heritage as a "Nation under God." If we have strayed from Thy precepts, bring us back to the faith of our fathers, that with clean hands and pure hearts we may serve Thee aright. O Thou whose judgments are true and righteous altogether, keep this Nation and its people under Thy higher law lest we become a law unto ourselves and perish. Help us to worship Thee and Thee alone lest we make idols of ourselves or yield to false deities. May Thy spirit brood over us and move amongst us that in these days of destiny we may make Thy ways our ways. Not in our own but in Thy strength and wisdom help us to serve Thee.

We pray in Thy Holy Name. 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., May 21, 1973.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of January 29, 1973, Mr. MCCLELLAN, from the Committee on Appropriations, reported favorably, with amendments, on May 18, 1973, the bill (H.R. 7447) making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes, and submitted a report (No. 93–160) thereon, which was printed.

Under authority of the order of the Senate of May 17, 1973, the following reports of committees were submitted:

On May 18, 1973:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments:

H.R. 5293. An act authorizing additional appropriations for the Peace Corps (Rept. No. 93–161); and

H.R. 5610. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes (Rept. No. 93–162).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

S. 514. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data (Rept. No. 93–163).

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

S. 1201. A bill to amend the act of Octo-

ber 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes (Rept. No. 93–164).

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

S. 1385. A bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands (Rept. No. 93–165).

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of May 17, 1973, the Secretary of the Senate, on May 18, 1973, received the following messages in writing from the President of the United States:

Executive K, Ninety-third Congress, first session, Treaty With the Oriental Republic of Uruguay on Extradition and Cooperation in Penal Matters, signed at Washington on April 6, 1973;

Executive L, Ninety-third Congress, first session, an Amendment to Article 61 of the Charter of the United Nations, adopted by the General Assembly of the United Nations on December 20, 1971; and

Veto message, relating to the bill (S. 518) to abolish the offices of Director and Deputy Director of the Office of Management and Budget, to establish the Office of Director, Office of Management and Budget, and transfer certain functions thereto, and to establish the Office of Deputy Director, Office of Management and Budget.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, May 17, 1973, be dispensed with.

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

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 joint resolution (H.J. Res. 296) to authorize the President to proclaim the last week of June 1973, as "National Autistic Children's Week," in which it requested the concurrence of the Senate.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, 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.

VETO MESSAGE—S. 518

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a veto message which was laid before the Senate be spread on the Journal and held at the desk for later disposition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the Chair lays before the Senate a letter from the Secretary of the Senate which the clerk will state.

The assistant legislative clerk read as follows:

MAY 21, 1973.

To the President pro tempore of the Senate:

Attached hereto is a sealed envelope from the President of the United States, addressed to the President of the Senate of the United States, received by me at 3:00 p.m. on May 18, 1973, which purports to contain a veto message on the bill (S. 518), an act to abolish the offices of Director and Deputy Director of the Office of Management and Budget, to establish the Office of Director, Office of Management and Budget, and transfer certain functions thereto, and to establish the Office of Deputy Director, Office of Management and Budget.

Very respectfully,

FRANCIS R. VALEO,
Secretary of the Senate.

The text of the message is as follows:

To the Senate of the United States:

I am today returning without my approval S. 518, a bill which would require Senate confirmation of those who serve as Director and Deputy Director of the Office of Management and Budget.

This legislation would require the forced removal by an unconstitutional procedure of two officers now serving in the executive branch. This step would be a grave violation of the fundamental doctrine of separation of powers. In view of my responsibilities, it is my firm duty to veto this bill.

Under present law, the Director and Deputy Director of the Office of Management and Budget are appointed by the President and serve at his pleasure. S. 518 would abolish these two positions effective thirty days after enactment and then provide for their immediate reestablishment. If the officers now lawfully occupying these Office of Management and Budget positions were to continue to serve, they would have to be reappointed by the President, subject to the advice and consent of the Senate.

The constitutional principle involved in this removal is not equivocal; it is deeply rooted in our system of government. The President has the power and authority to remove, or retain, executive officers appointed by the President. The Supreme Court of the United States in a leading decision. *Myers* v. *United States*, 272 U.S. 52, 122 (1926), has held that this authority is incident to the power of appointment and is an exclusive power that cannot be infringed upon by the Congress.

I do not dispute Congressional authority to abolish an office or to specify appropriate standards by which the officers may serve. When an office is abolished, the tenure of the incumbent in that office ends. But the power of the Congress to terminate an office cannot be used as a back-door method of circumventing the President's power to remove. With its abolition and immediate re-creation of two offices, S. 518 is a device—in effect and perhaps in intent—to accomplish Congressional removal of the incumbents who lawfully hold those offices.

Disapproval of this legislation is also required because of the nature of the positions it would subject to Senate confirmation. For over 50 years the Office of Management and Budget and its predecessor agency, the Bureau of the Budget, has been headed by a Director appointed by the President without Senate confirmation.

The positions of Director and Deputy Director of the Office of Management and Budget were established in the Executive Office of the President to provide the President with advice and staff support in the performance of his budgetary and management responsibilities. These positions cannot reasonably be equated with cabinet and sub-cabinet posts for which confirmation is appropriate.

The responsible exercise of the separate legislative and executive powers is a demonstration of the workability of the American system. But, if it is to remain workable, I must continue to insist on a strong delineation of power and authority, the basis of which is too fundamental to allow to be undermined by S. 518.

The point was made most succinctly by James Madison in 1789:

"If there is a principle in our Constitution, indeed in any free constitution more sacred than another, it is that which separates the legislative, executive and judicial powers. If there is any point in which the separation of the legislative and executive powers ought to be maintained with great caution, it is that which relates to officers and offices."

RICHARD NIXON.

THE WHITE HOUSE, *May 18, 1973.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message from the President be printed as a Senate Document.

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

REMOVAL OF INJUNCTION OF SECRECY FROM TREATY WITH ORIENTAL REPUBLIC OF URUGUAY ON EXTRADITION AND COOPERATION IN PENAL MATTERS, AND ON THE AMENDMENT TO ARTICLE 61 OF THE CHARTER OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty with the Oriental Republic of Uruguay on Extradition and Cooperation in Penal Matters, signed at Washington on April 6, 1973 (Executive K, 93d Congress, first session), and the amendment to article 61 of the Charter of the United Nations adopted by the General Assembly of the United Nations on December 20, 1971 (Executive L. 93d Congress, first session), both transmitted to the Senate on Friday, May 18, 1973, by the President of the United States, and that the treaty and amendment with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and the President's messages be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the treaty and the amendment with accompanying papers will be referred to the Committee on Foreign Relations and ordered to be printed, as well as the

President's messages—which will be printed in the RECORD.

The texts of the President's messages are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition and Cooperation in Penal Matters Between the United States of America and the Oriental Republic of Uruguay, signed at Washington on April 6, 1973. I transmit also, for the information of the Senate, the Report of the Secretary of State with respect to the Treaty.

The Treaty significantly updates the present extradition relations between the United States and Uruguay and adds to the list of extraditable offenses both narcotic offenses, including those involving psychotropic drugs, and aircraft hijacking. Provision is also made for extradition for conspiracy to commit the extraditable offenses.

The Treaty will make a significant contribution to the international effort to control narcotics traffic. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

RICHARD NIXON.

THE WHITE HOUSE, *May 18, 1973.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the text of the amendment to Article 61 of the Charter of the United Nations adopted by the General Assembly of the United Nations on December 20, 1971, and set forth in General Assembly Resolution 2847 (XXVI).

I transmit also, for the information of the Senate, the report received by me from the Department of State with respect to the amendment.

Article 61 of the Charter relates to the composition of the Economic and Social Council of the United Nations and the election to membership thereon by the General Assembly. At present the Council is composed of 27 members as a result of a Charter amendment adopted in 1963, which entered into force on August 31, 1965. By the new amendment to Article 61, the Council membership would be increased from 27 to 54. A formula for geographic distribution of the seats on the Council is also set forth in the General Assembly's Resolution.

As in 1963, when the Council membership was enlarged from 18 to 27, the Economic and Social Council must be enlarged to take account of the growth of the United Nations Organization, with particular attention to the need for an equitable distribution of membership among the less developed countries.

It is in the national interest of the United States to ratify the new amendment to Article 61 with a view to making more effective the Economic and Social Council of the United Nations.

I therefore request the consent of the Senate to ratification by the United States of the amendment set forth in Resolution 2847 (XXVI).

RICHARD NIXON.

THE WHITE HOUSE, *May 18, 1973.*

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calender Order Nos. 146 through 150.

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

The clerk will state the first bill.

PREDISASTER ASSISTANCE

The Senate proceeded to consider the bill (S. 1697) to require the President to furnish predisaster assistance in order to avert or lessen the effects of a major disaster in the counties of Alameda and Contra Costa in California, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

FINDINGS

SECTION 1. The Congress finds and declares that a freeze in December of 1972 killed tens of thousands of eucalyptus trees in the counties of Alameda and Contra Costa in California, that such trees are highly combustible and threaten to cause a major disaster, that State and local resources are strained to the point where all available funds are being expended, and that immediate Federal assistance is necessary to avert or lessen the effects of such a disaster.

GRANTS

SEC. 2. (a) The President is authorized and directed—

(1) to make grants to units of local government and State and local public agencies in order to assist such units and agencies; and

(2) to reimburse them for assistance furnished prior to the date of enactment of this Act,

for the purpose of carrying out fire suppression, tree removal, and reforestation activities on public and private lands located in Alameda and Contra Costa Counties in California in connection with the threatened major disaster referred to in section 1. The amount of any grant under this subsection may not exceed the cost actually incurred by the grantee in carrying out such activities. There are authorized to be appropriated not to exceed $11,000,000 to carry out the provisions of this subsection. Any sums so appropriated shall remain available until expended.

(b) In addition to grants made pursuant to subsection (a), the President is authorized and directed to make grants to reimburse any owner of property located in Alameda or Contra Costa Counties in California for the lesser of the actual or reasonable cost of carrying out tree removal activities on his property prior to the date of enactment of this Act if such activities are directly related to the threatened major disaster referred to in section 1. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.

FEDERAL RESOURCES

SEC. 3. The President shall exercise the authority conferred on him by section 221 of the Disaster Relief Act of 1970 to assist units of local government and State and local public agencies in carrying out fire suppression, tree removal, and reforestation activities on public and private lands located in Alameda and Contra Costa Counties in California to avert or lessen the effects of the threatened major disaster referred to in section 1.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–153), explaining the purposes of the measure.

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

HISTORY OF LEGISLATION

S. 1697 was introduced on May 3, 1973, and hearings were held by the Small Business Subcommittee on May 9, 1973. At these hearings testimony was received from Darrell Trent, Acting Director, Office of Emergency Preparedness; Edwin Meese III, executive assistant to Gov. Ronald Reagan; Hon. Ronald V. Dellums; Hon. Fortney H. Stark; William Hildebrand, chairman, Inter-Agency Advisory Committee and Assistant Civil Defense Director, Alameda, Calif.; Richard C. Trudeau, general manager, East Bay Regional Park District; Jay ver Lee, director, City of Oakland Park Recreation Department; Marge Gibson, vice-chairperson, Citizens Fire Hazard Committee, Oakland; Craig Chandler, Acting Directory of Emergency Operations, U.S. Forest Service, Department of Agriculture. The bill was reported without objection by the Banking, Housing and Urban Affairs Committee on May 16, 1973.

EXPLANATION OF THE BILL

There exists the threat of a major fire in portions of Alameda and Contra Costa Counties in California, as a result of a severe freeze in December 1972 which killed 1 million eucalyptus trees throughout the area. The trees are highly combustible and experts fear if fire breaks out it could spread throughout the Metropolitan East San Francisco Bay area, causing up to $200 million damage. Critical fire season in northern California begins in July of every year. Before that time this year, emergency measures must be taken to minimize the threat of serious fire, which now is triple the "normal" danger because of the tinder-dry trees and thousands of pounds of debris which the dead trees are shedding. The actions which are necessary in the months ahead threaten to bankrupt property owners and local agencies if Federal aid is not made available. A request by the Governor of California for a Presidential disaster declaration, was denied on April 27, 1973. In the absence of a formal disaster declaration, only a special act of Congress can make Federal aid available to avert a disaster.

Section 1 of the bill outlines the finding of Congress that a threat of major disaster exists and Federal assistance is necessary to avert such a disaster.

Section 2 authorizes and directs the President to make grants to units of local government and State and local public agencies to perform fire suppression, tree removal, and reforestation work on public and private lands in order to reduce the fire threat. A maximum of $11 million is authorized for this work.

In addition, reimbursement to property owners is provided for actual or reasonable costs in carrying out tree removal activities on private property, prior to enactment. Such sums as may be necessary are authorized in this subsection.

Section 3 directs the President to exercise the authority conferred on him by section 221 of the Disaster Relief Act of 1970 to assist local governments and agencies perform necessary fire suppression, tree removal, and reforestation activities on public and private lands in order to avert or lessen the effects of a major disaster.

The enactment of this bill would go far in preventing a major disaster in the area of these eucalyptus trees. The committee recommends that the Senate take prompt action on this bill.

Mr. CRANSTON. Mr. President, I am pleased and encouraged that the Senate has taken this major step today toward alleviating an extremely dangerous situation which exists in the East San Francisco bay area of California.

S. 1697, which I introduced along with Senator TUNNEY on May 3, 1973, requires the President to furnish pre-

disaster assistance in order to avert or lessen the effects of a major fire disaster in two bay area counties. The problem results from a freak December frost which killed about a million eucalyptus trees throughout 2,500 acres of public and private land. The tinder-dry trees, still filled with highly combustible eucalyptus oil, pose a monumental and unprecedented fire hazard.

Senator TUNNEY and I joined Gov. Ronald Reagan several weeks ago in requesting a Federal disaster declaration, to make available the aid and facilities of the Federal Government in averting a holocaust. State agricultural and forest experts have predicted that if fire breaks out during the critical summer fire season, the entire east bay metropolitan area could burn. Damage estimates range up to $200 million with possible loss of hundreds of lives.

The Office of Emergency Preparedness refused to recommend a disaster declaration to President Nixon. The reason given was that under section 221 of the Disaster Relief Act of 1970, which allows for predisaster assistance when the threat of disaster is imminent, the immediacy of the impending disaster has to be obvious to the OEP.

By everyone's admission, this is a unique situation in California. The disaster which threatens will clearly be a "major" disaster as defined by the law. But the imminence of it cannot be determined by a matter of days or weeks. The OEP apparently interprets the Disaster Act as meaning that predisaster assistance ought to be furnished by the Federal Government if disaster is reasonably certain to occur within 7 days. The fires which threaten to destroy perhaps 12 cities in the east bay, if not likely to occur within the next 7 days—so no Federal disaster declaration. Perhaps when summer comes, and a fire will threaten to break out in any 7-day time frame, OEP would be ready to declare an imminent disaster—but by then it would be too late to prevent it.

When this "reasoning" on the part of the President's disaster office became known to me, I introduced S. 1697 and scheduled hearings of the Small Business Subcommittee of the Banking Committee. At the opening of those hearings, the Acting Director of OEP, Darrell Trent, testified that amid the continuing pressures and publicity, President Nixon had agreed to reopen the administration's investigation of the Governor's disaster request. Perhaps the administration's interpretation of the Disaster Relief Act of 1970 could be made more flexible.

My purpose in introducing S. 1697 and holding hearings was to insist that the will of Congress in providing for predisaster aid to avoid disasters, be carried out by the administration. In responding to questioning at the hearings, Darrell Trent acknowledged that minimum financial support by the Federal Government in the form of predisaster aid can save untold millions of dollars in damage and save countless lives. A Federal disaster program does not necessarily have to consist just of a series of mop up operations after the fact. But the administration is extremely reluctant to spend those few dollars for preventive disaster work, apparently in an overzealous move toward economy in Government.

In my opinion, that decision flirted recklessly with lives and property of tens of thousands of Californians.

I believe that such speedy action by the Senate, in passing my bill just 18 days after I introduced it, will convince the President that the decision not to declare a disaster in Alameda and Contra Costa Counties a misinterpretation of Congress willingness to stand by while the administration once again ignores the will of the Nation's elected representatives.

I believe the legislative victory in the Senate today should be a major factor in convincing the President to reverse his decision. But if he still does not act—or if he responds with too little, too late—Congress authority and intention to provide relief will have been already set in motion.

The amendment was agreed to.

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

INCREASED LIMITATION ON FLOOD INSURANCE COVERAGE

The joint resolution (S.J. Res. 112) to amend section 1319 of the Housing and Urban Development Act of 1968 to increase the limitation on the face amount of flood insurance coverage authorized to be outstanding, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1319 of the Housing and Urban Development Act of 1968 is amended by striking out "$4,000,000,000" and inserting in lieu thereof "$6,000,000,000".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–154), explaining the purposes of the measure.

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

PURPOSE OF LEGISLATION

The purpose of this joint resolution is to increase the authority for the Federal flood insurance program from the existing $4 billion to $6 billion.

NATIONAL FLOOD INSURANCE PROGRAM

The program was authorized by section 1319 of the National Flood Insurance Act of 1968 which provided that the face amount of flood insurance coverage outstanding and in force at any one time shall not exceed $4 billion.

Reports from the National Flood Insurers Association, which administers the program under contract with the Federal Insurance Administration of HUD indicate that unless congressional action to increase the limitation of $4 billion is taken within the next few days, there will be no choice but to suspend the program.

Since the National Flood Insurers Association writes flood insurance policies through a network of "servicing carriers" (generally, one for each State) who, in turn, accept applications for flood insurance from all licensed property insurance agents and brokers, the disruption which would be caused by a stop order will be considerable, and the process of reinstituting the program correspondingly difficult.

The remarkable increase in the rate of flood insurance policy sales can be substantially attributed to public interest and concern following the devastating flood resulting from Hurricane Agnes last June, from a reduction in the price of flood insurance coverage initiated at about the same time, and from the increasing interest of banks and mortgage lending institutions in securing this flood insurance protection for properties upon which they place mortgages. As of January 1, it is a requirement that all FHA-insured mortgage loans on properties located in flood-prone areas carry Federal flood insurance; the Veterans' Administration is expected to follow suit shortly.

Although the increase in interest in the flood insurance program has been largely concentrated in Eastern States because of the connection with Hurricane Agnes, substantial increases in participating communities and policies in force are seen in other areas: In Missouri, number of communities increased 18 percent between June and December and policies in force by 4 percent; in Illinois, communities are up to 139 percent and policies up 178 percent; in Michigan, communities are up 250 percent and policies up 142 percent. Nationwide, the increases are 20 percent for eligible communities and 31 percent in policies in force.

REPORT OF NATIONAL FOREST RESERVATION COMMISSION

The resolution (S. Res. 114) authorizing the printing of the annual report of the National Forest Reservation Commission was considered and agreed to, as follows:

Resolved, That the annual report of the National Forest Reservation Commission for the fiscal year ended June 30, 1972, be printed with an illustration as a Senate document.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–155), explaining the purposes of the measure.

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

Senate Resolution 114 would provide that the annual report of the National Forest Reservation Commission for the fiscal year ended June 30, 1972, be printed with an illustration, as a Senate document.

The printing cost estimate, supplied by the Public Printer, is as follows:

Printing cost estimate

To print as a document (1,500 copies) ---------- $5,316.13

ADDITIONAL EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

The Senate proceeded to consider the resolution (S. Res. 116) to provide additional funds for the Committee on Appropriations which had been reported from the Committee on Rules and Administration with amendments in line 1, after the word "Appropriations," strike out "hereby"; and, in line 4, after the word "same," strike out "purpose" and insert "purposes."

The amendments were agreed to.

The resolution, as amended, was agreed to as follows:

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $75,000, in addition to the amount and for the same *purposes,*

specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–156), explaining the purposes of the measure.

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

Section 134(a) of the Legislative Reorganization Act of 1946 (Public Law 601, 79th Congress, 60 Stat. 812, August 2, 1946) authorizes each standing committee of the Senate to expend not to exceed $10,000 per Congress for routine committee expenditures.

Senate Resolution 116 would authorize the Committee on Appropriations to expend from the contingent fund of the Senate, during the 93d Congress, $75,000 in addition to the amount, and for the same purposes, specified in said section 134(a).

The Committee on Rules and Administration is reporting Senate Resolution 116 with pro forma amendments.

SALE OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER

The bill (S. 1773) to amend section 7305 of title 10, United States Code, relating to the sale of vessels stricken from the Naval Vessel Register was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (1) of section 7305 of title 10, United States Code, is amended to read as follows:

"(1) Except as provided in subsection (a), no vessel of the Navy may be sold in any manner other than that provided by this section, or for less than its appraised value, unless the sale thereof is specifically authorized by law enacted after June 30, 1973."

SEC. 2. The amendment made by the first section of this Act shall not apply in the case of any Navy vessel with respect to which a written agreement to sale was entered into prior to June 30, 1973.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–157), explaining the purposes of the measure.

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

Under present law, vessels stricken from the U.S. Naval Register may be disposed of to foreign nations under chapter 2 of the Foreign Military Sales Act of 1948 (Public Law 90–629) under the general category of defense articles. S. 1773 precludes the sale of stricken vessels under Public Law 90–629, and makes it mandatory that such vessels be disposed of only under the competitive bid provisions of section 7305 of title 10, United States Code. The General Legislation Subcommittee's report to the Committee on Armed Services is herewith made a part of this report on S. 1773. The full committee adopted the recommendation set forth at the end of this subcommittee report.

BACKGROUND

The Subcommittee on General Legislation held hearings on H.R. 9526 on February 17, 1972. The bill as proposed by the administration sought authorization for the loan of combatant ships to certain foreign nations pursuant to the provisions of title 10, section 7307, United States Code. Specifically, the bill proposed new loans of five destroyers and two submarines to Spain, one destroyer and two submarines to Turkey, two destroyers to Greece, two submarines to Italy, and two destroyers to Korea.

Pertinent to this discussion are the House amendments which were vigorously opposed by Navy, Defense, and State witnesses. These amendments sught to change existing law in the following respects:

1. The term of the loan was reduced from 5 years, as proposed, to 4 years.

2. The option to extend the loan for an additional 5 years was deleted.

3. Made it mandatory that the loaned ships be returned at the expiration of the loans.

4. Made it mandatory that the loan be terminated if the President determined that that such loans no longer contributed to U.S. defense needs.

In his testimony, the Chief of Naval Operations emphasized that the ships involved in that legislation were among those being retired from the Navy because of funding limitations. The subcommittee was assured that although the ships would be manned and operated by the recipient Nations, title will remain with the United States.

The committee recommended and the Senate agreed to the 5-year term as requested by the administration. The remaining three House amendments were agreed to by the Senate and it is these amendment and subsequent actions of the executive branch that gave rise to these followup hearings.

In its report the Senate Armed Services Committee made it emphatically clear that Congress was determined to maintain its legislative control over the transfer of combatant ships under loan to foreign nations. The committee report stated:

"The fundamental issue involved in these amendments deals with the authority and responsibility of the Congress to establish laws and determine the conditions under which U.S. naval vessels will be sold, transferred, or otherwise disposed of to foreign nations. The congressional authority in the fields of foreign policy and treaty making has already been dangerously eroded by the Executive Agreement device. The committee agrees with the House that ships loaned * * * should have congressional approval prior to each loan extension. Since the loan is for a stated period and no longer, congressional approval should be obtained for the retention of loaned vessels beyond the loan period."

H.R. 9526 became law on April 6, 1972 (Public Law 92–270).

CHANGE IN POLICY

Immediately following enactment of Public Law 92–270 with the restricting amendments, the executive branch changed its policy to selling in lieu of leasing and loaning vessels. We are aware that existing statutes permit these sales but we cannot overlook either the timing or the device used to implement the new policy.

As stated above, the House amendments were strongly opposed by the administration because the option to extend ship loans without congressional authority would no longer be available and because of the added requirement that loaned ships be returned to U.S. custody at the expiration of each loan. Although there are several laws under which naval vessels may be transferred to foreign nations, there are only two which specifically provide for the transfer of major combatant ships. The first (10 U.S.C. 7307) relates to the naval vessel loan program. The second (10 U.S.C. 7305) permits the sale of vessels under strict advertised sealed bid procedures.

Section 7305, subsection (1) is given as the authority to dispose of major combatant vessels to a foreign nation. That subsection provides:

"(1) Except as otherwise provided by law, no vessel of the Navy may be sold in any other manner than that provided by this section, or for less than its appraised value, unless the President so directs in writing (Aug. 10, 1956, c. 1041, 70A Stat. 451)."

The Congressional intent appears quite clear. The Congress was insisting that naval vessels be sold only on the competitive bid basis. We recognize, however, that the words "Except as otherwise provided by law, * * *," also made it possible for the Navy to avoid congressional authorization by resorting to the subsequent enactment known as the "Foreign Military Sales Act of 1968" (Public Law 90–629). Section 21 of that law provides:

CHAPTER 2—FOREIGN MILITARY SALES AUTHORIZATIONS

"SEC. 21. CASH SALES FROM STOCK.—The President may sell defense articles from the stocks of the Department of Defense and defense services of the Department of Defense to any friendly country or international organization that agrees to pay not less than the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the United States within a reasonable period not to exceed one hundred and twenty days after the delivery of the defense articles or the rendering of the defense services."

BLANK CHECK AUTHORITY

For all practical purposes, section 7305 now becomes obsolete in that sales to foreign nations of any defense article may be made without consulting or obtaining congressional approval. It is understandable that the Navy is opposed to any amendment which would impose any restraints on ship disposals. Under the present policy all ships under loan, including those loaned under Public Law 92–270 last year may now be stricken from the naval register prior to loan expiration and sold under the Foreign Military Sales Act. Thus the ships need not be returned and loan extensions will not be necessary.

This subcommittee regards both the policy and the procedures employed, to be a circumvention of congressional intent and control. The subcommittee fully supports these ship transfer programs to assist our allies. It is fully recognized that such transfers of equipment to our allies are in our national security interests. But, we are constrained to state that the Congress has been extremely liberal in granting "blank check" authority to the executive branch on combatant ship disposals.

RECOMMENDATION

The subcommittee recommends that the following amendment be introduced with a view to enactment:

1. That subsection (1) of section 7305 of title 10, United States Code, is amended to read as follows:

"(1) Except as provided in subsection (a), no vessel of the Navy may be sold in any manner other than that provided by this section, or for less than its appraised value, unless the sale thereof is specifically authorized by law enacted after June 30, 1973.

"SEC. 2. The amendment made by the first section of this Act shall not apply in the case of any Navy vessel with respect to which a written agreement to sale was entered into prior to June 30, 1973."

EXECUTIVE SESSION

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

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

U.S. AIR FORCE

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

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

The PRESIDING OFFICER. Without objection, the nominations in the U.S. Air Force are considered and confirmed en bloc.

U.S. ARMY

Mr. MANSFIELD. Mr. President, I make the same request.

The PRESIDING OFFICER. The nominations in the U.S. Army are considered and confirmed en bloc.

U.S. NAVY

The assistant legislative clerk read the following nominations:

Rear Adm. Merton D. Van Orden, U.S. Navy, to be Chief of Naval Research in the Department of the Navy for a term of 3 years in accordance with title 10, United States Code, section 5150.

Vice Adm. John V. Smith, U.S. Navy, for appointment to the grade indicated, when retired, pursuant to the provisions of title 10, United States Code, section 5233, to be vice admiral.

Mr. MANSFIELD. I make the same request as to these nominations, Mr. President.

The PRESIDING OFFICER. Without objection, the nominations in the U.S. Navy are considered and confirmed en bloc.

U.S. MARINE CORPS

The assistant legislative clerk read the nomination of 1st Lt. William D. Rusinak, U.S. Marine Corps, for appointment to the grade of captain.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE INTERIOR

The assistant legislative clerk read the nomination of James T. Clarke, of Michigan, to be an Assistant Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

ROUTINE NOMINATIONS PLACED ON THE SECRETARY'S DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Air Force, Army, Navy and Marine Corps placed on the Secretary's desk be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations placed on the Secretary's desk are considered and confirmed en bloc.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume consideration of legislative business.

DEATH OF FORMER REPRESENTATIVE JEANNETTE RANKIN, OF MONTANA

Mr. MANSFIELD. Mr. President, on Saturday last, a distinguished stateswoman, a predecessor of mine in the House of Representatives, the first woman elected to the Congress of the United States, Miss Jeannette Rankin, passed away at the age of 92.

Jeannette Rankin was a woman of outstanding courage, integrity, devotion, and dedication to the things in which she believed. She was a woman who paved the way for more equal rights for other women. She did so beginning in 1916, when she was elected to Congress as a Representative from the First District of the State of Montana.

Miss Rankin did not run for reelection, but when the clouds of war gathered in the early 1940's she did run again, and she was elected again by the people of the western district of Montana to sit in the House of Representatives.

Miss Rankin voted against our entering the First and Second World Wars. Miss Rankin had to withstand a great deal of criticism, but she never waivered in her desire for peace for this country and for peace throughout the world.

Her latest endeavor was the organization of the so-called Jeannette Rankin Brigade, composed of 5,000 women who petitioned Congress to bring an end to the war in Indochina. She was not successful then; but, as always, Jeannette Rankin left her imprint on anything she chose to do.

The people of Montana and the Nation are truly saddened at the passing of this great woman, who did so much for this country, who led the way in this century in trying to achieve greater and more equal rights for women, who made such a mark on the Congress of the United States, on this Nation, and on the world.

We will miss her very much. I will miss her very personally, because I looked upon Jeannette Rankin as a close personal friend and a woman in whom I had great faith and great confidence. May her soul rest in peace.

Mr. President, I ask unanimous consent that various obituaries and articles on the passing of the great lady be printed at this point in the RECORD.

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

[From the Washington Post, May 20, 1973]

JEANNETTE RANKIN, FIRST WOMAN IN CONGRESS, DIES

(By Lawrence Feinberg)

Jeannette Rankin, the first woman elected to the U.S. House of Representative and the only member of Congress to vote against American entry into both world wars, died Friday of an apparent heart attack in Carmel, Calif. She was 92.

A pacifist, suffragette and Republican, Miss Rankin was elected to Congress from Montana in 1916. She was one of 56 members of the House to vote against American entry into World War I in April, 1917.

Twenty-four years later, when she was serving her second term in the House, Miss Rankin was the only member of Congress to vote against the declaration of war against Japan that brought America into World War II after the bombing of Pearl Harbor.

She remained active until recently in peace and women's rights groups, and led an antiwar march to the Capitol in 1968. Last year she made a month-long trip to India.

"If I had my life to live over," she said in an interview recently, "I would do it all again, but this time I'd be nastier."

When she turned 90, Miss Rankin agreed with an interviewer that some of her ideas on pacifism and women's liberation still seemed radical, but she added:

"I can't get excited about it because I got so excited so long ago. Everything they talk about now, we talked about before 1914."

Miss Rankin, who never married, was born June 11, 1880, on a ranch near Missoula, Mont., where she regularly spent her summers until recently. Her father was a contractor and her mother a school teacher who had traveled to Montana by wagon train.

She was graduated from the University of Montana in 1902, became interested in settlement house work in San Francisco, and in 1908–09 attended the New York School of Philanthropy. While in New York she became interested in women's suffrage.

Later, she did social service work in California and Washington state, and then headed a successful campaign to give women in Montana the right to vote.

In 1915 she went to New Zealand and took a job as a seamstress to learn the problems of women workers. But she came back to Montana a year later, ran for Congress, and won.

Miss Rankin took her seat in the House of Representatives on April 4, 1917. Her first vote two nights later was against the United States declaration of war on Germany.

When the clerk called her name, Miss Rankin rose and said:

"I want to stand by my country, but I cannot vote for war."

What she said next could not be heard in the din that followed, but she was officially recorded as voting no.

On Dec. 8, 1941, Miss Rankin's "no" was firm and loud when she voted against the declaration of war against Japan.

There were hisses from the gallery, and a small procession of congressmen came up to her to try to change her mind and make the war vote unanimous.

Miss Rankin refused.

According to a newspaper story the next day, she told them that she had a deep horror of war and added that, in any case, the declaration by Congress was premature because there was no definite confirmation that the Japanese had attacked Pearl Harbor. She said the British were such clever propagandists that they might well have cooked up the story.

As she left the House floor, she was besieged by reporters and photographers and took refuge in a telephone booth in the House Republican cloakroom. Police were called and escorted her to her office where she spent the afternoon behind locked doors.

During her first term in Congress (1917 to 1919) Miss Rankin introduced bills to give women the vote and also to give them U.S. citizenship rights independent of their husbands. She also offered a bill providing for public instruction of women concerning infant hygiene, and noted wryly years later, "The government has always offered instruction in the hygiene of pigs."

She ran for the Senate and lost in 1918. During the next two decades she spent much of her time as a lobbyist in Washington, first on women's and children's legislation for the National Consumers League, and then for disarmament measures for the National Council for Prevention of War.

After World War II broke out in Europe, she ran for Congress again in Montana with the slogan: "Prepare to the limit for defense; keep our men out of Europe."

But her vote against the declaration of war after Pearl Harbor was widely resented

in her district. Later she voted for military appropriations bills and for pay raises for soldiers, but she did not run for re-election.

Miss Rankin retired quietly, and drew relatively little public attention until the mid-1960s when her reputation revived as the antiwar women's liberation movements flourished.

Her name was used by a women's peace group, the Jeannette Rankin Brigade, which drew about 3,000 women, Miss Rankin in the forefront, for an antiwar march on the Capitol in January, 1968.

The event was a focal point in the development of the women's liberation movement, and in the four years that followed, Miss Rankin appeared often at meetings and conferences on women's issues, as well as before antiwar groups.

But her views were unorthodox.

She suggested in several interviews that women ought to be paid to take care of their children because "most women would prefer to stay home with their children."

She also declared, "It's superficial to ask for equal pay (for women). What we need is a complete revision of the money system."

For achieving peace her prescription was simple: "We must have absolutely unilateral disarmament," she declared last year. "If we disarmed, we would be the safest country in the world. After all, you have to have a worthy adversary to fight. Would Cassius Clay fight a Boy Scout?"

She said her hopes for peace lay with women. "We could have peace in one year," she said "if women were organized."

Miss Rankin also was interested in electoral reform, campaigning to abolish the electoral college and for large, multinumber Congressional districts.

Since 1935, she had owned a farm house in Watkinsville, Ga., as well as a ranch in Montana. At the time of her death she was living at the Carmel Valley Manor Rest Home.

She is survived by three sisters.

[From the New York Times, May 20, 1973]

EX-REP. JEANNETTE RANKIN DIES; FIRST WOMAN IN CONGRESS, 92—SUFFRAGIST LEADER WAS ONLY MEMBER VOTING AGAINST U.S. ENTRY TO BOTH WORLD WARS

(By Robert D. McFadden)

Jeannette Rankin, the first woman to serve in the United States Congress and the only Representative who voted against the nation's entry into World Wars I and II, died Friday night at her apartment in Carmel, Calif. She was 92 years old.

Miss Rankin, a lifelong pacifist and one of the country's earliest women's suffragists, served only two terms in the House of Representatives, 1917 to 1919 and 1941 to 1943. But in both those terms, by an odd turn of history, the United States decided to go to war.

Her dissenting votes were consistent with her lifelong belief that violence cannot solve human disagreements.

Miss Rankin also introduced the first bill to grant women citizenship independent of their husbands, and authorized the first bill for Government-sponsored instruction of hygiene in maternity and infancy.

A Republican from Missoula, Mont., she ran her campaigns on a peace platform. After leaving the Congress, she devoted her widely admired energy to peace organizations and women's activist groups.

A LONG ACTIVE LIFE

Until her health began failing seriously last year, Miss Rankin's only concession to age was a cane and a slight weariness at seeing the ideas she had been advocating for seven decades treated as if they were still radically new.

There were no consciousness-raising groups to liberate Jeannette Rankin in 1916, when, as the United States moved toward war with the Central Powers, the small, trim woman from Missoula undertook her successful Congressional campaign.

"I knew the women would stand behind me," she said when told she had won. "I am deeply conscious of the responsibility. I will not only represent the women of Montana, but also the women of the country, and I have plenty of work cut out for me."

Miss Rankin took her seat in the House on April 2, 1916. Four days later, in the predawn hours of April 6, after months of mounting pressure, she told her colleagues in a moment of high drama: "I want to stand behind my country, but I cannot vote for war."

She then cast her dissenting vote. The final House vote to declare war was 373 to 50. Hers was an unpopular stand, and she became the target of many barbs. But she contended afterward: "I'd go through much worse treatment. If you know a certain thing is right, you can't change it."

After her first term, Miss Rankin sought but lost the Montana Republican nomination for the Senate, and for more than two decades devoted herself to peace organizations, particularly the National Conference for the Prevention of War.

"Prepare to the limit for defense; keep our men out of Europe," was her slogan in 1940 for her second successful race for the House. Many years later, she said: "The women elected me because they remembered that I'd been against our entering World War I."

Despite Pearl Harbor, the pleadings for unanimity by Everett McKinley Dirksen, then a member of the House, and the eloquence of President Franklin D. Roosevelt in his Dec. 8, 1941, address to Congress, Miss Rankin cast the only dissent in the 388 to 1 House vote on the Declaration of War against Japan.

"I voted against it because it was war," she said afterward.

In recent years, Miss Rankin who never married, continued to march and make speeches for the causes in which she believed.

DENOUNCED VIETNAM WAR

She led the Jeannette Rankin Brigade in a massive march on Capitol Hill in Washington in 1968 to protest the war in Vietnam, which she denounced as a "ruthless slaughter."

The following year she participated in moratorium marches in Georgia and South Carolina. She continued, too, to write letters and to make phone calls and visits to members of Congress, urging an end to United States involvement in Indochina.

In an interview several years ago, Miss Rankin called the Vietnam war "stupid and cruel," and put the blame on "stupid leaders" and a "military bureaucracy." She added: "The people really aren't for war. They just go along, but war is evil and there is always an alternative."

At the polls, she said, people are given a "choice of evils, not ideas."

As for women, for whose rights she labored a lifetime, Miss Rankin said: "They've been worms. They let their sons go off to war because they're afraid their husband will lose their jobs in industry if they protest."

Jeanette Rankin was born on June 11, 1880, on a ranch near Missoula, the oldest of seven children of John and Olive Rankin. Her father was a rancher and building contractor, and her mother was a native of New Hampshire who had gone West to be a schoolteacher.

Miss Rankin graduated from the University of Montana in 1902 and went into social work, which took her to New York City. Here, she joined the suffrage movement and lived in the Suffrage League house on East 86th Street. In 1908–09, she was a student at the School of Philanthropy here, then did social work in Seattle for a year, before turning increasingly to the women's movement.

She later became field secretary of the National American Women's Suffrage Association and chairman of the Montana State Suffrage committee. In 1912, she took the suffrage fight home to Montana, addressing the State Legislature—a precedent for a woman—on the subject.

Two years later, Montana passed a suffrage law. This was six years before that right became a Constitutional Amendment. Miss Rankin later said she first ran for Congress "to repay the women of Montana who had worked for suffrage."

Miss Rankin long advocated electoral reforms, with a view to greater diversity among candidates. "Now," she said, "we have a choice between a white male Republican and a white male Democrat." And, with equal vigor, she urged unilateral disarmament, contending: "If we disarmed, we'd be the safest country in the world."

Mr. METCALF. Mr. President, it was with deep regret that I learned of the death of Miss Jeannette Rankin last Friday at her California home. I join with my distinguished colleague from Montana (Mr. MANSFIELD) in mourning the loss of this grand, courageous, and imaginative woman.

Miss Rankin headed the campaign for women's suffrage in her native State of Montana. In addition, she served with distinction as field secretary for the National American Woman Suffrage Association in the Western States, where, not surprisingly, women first won suffrage. Montana's law was adopted in 1914.

Always something of a visionary, Miss Rankin took the next logical step, filed for office and, in 1916, became the first woman ever to serve in the U.S. Congress.

The lady from Montana handled the condescension that traditionalists customarily reserve for experimentalists with grace and dignity.

Those who waited for her to stumble waited in vain, for if she felt uncomfortable in the bright light of public curiosity, she gave no sign of it and went calmly about the business of legislating. The status of women had not been raised to the sharp profile it now enjoys, but at the time of Miss Rankin's election, only 12 of 48 States permitted women to vote in elections. One worldly European sage said America was doomed to failure with its "utopian" notion of the female franchise.

Looking back on that time, Miss Rankin summed up the importance of her service in an address to the 1972 Montana Constitutional Convention. She said:

If I am remembered for no other act, I want to be remembered as the only woman who ever voted to give women the right to vote.

That vote occurred in the 65th session of Congress, in 1919, on a resolution to amend the U.S. Constitution to permit exercise of the franchise regardless of sex.

Miss Rankin's other most significant activities began soon after taking her seat in the House when she became embroiled in the passionate debate surrounding U.S. participation in World War I.

A pacificist, Miss Rankin was horrified by the agonies of war and the waste of human lives. She thought that history, particularly European history, illustrated the futility of armed conflict. But she also knew that a vote against U.S. entry

into World War I might effectively end her political career and perhaps damage the women's suffrage movement since she was its principal symbol.

As she rose to vote, she expressed her dilemma in one short sentence:

I want to stand by my country, but I cannot vote for war.

Montana voters did not return Miss Rankin to Congress until 1941. Once again she voted against U.S. participation in a world war, this time in the wake of the Pearl Harbor attack. She stood alone, the sole Member of the House of Representatives to vote against the declaration.

While history may not agree with Miss Rankin's views, it will applaud her courage and sense of duty. She was a public servant who voted conscientiously and independently.

Suffrage and peace were not her only causes. During her years in Congress, and later as a private citizen, she worked for protection of the public lands, programs to assist the Indian people, civil rights, child welfare, redistribution of the world's wealth and consumer protection.

Her opposition to war heightened her concern for returning servicemen. She introduced many bills to provide benefits for them, including support of dependents.

Women's causes continued to occupy much of her time. During her two Congressional terms she introduced the first legislation to provide instruction in maternity and infant hygiene. She also offered measures to provide "equal pay for equal work" for U.S. employees, regardless of sex; and to enable American women who marry foreigners to maintain their citizenship.

In the last few years of her life, Miss Rankin's concerns assumed new relevance, underlining the prophetic quality of her life. She was an active spokesman for the Women's Rights movement; she joined in the peace efforts of the late 1960's and early 1970's. She worked hard for a direct election of the president and elimination of the electoral college.

Jeannette Rankin was a woman ahead of her time. She was independent, principled, eloquent and human. She sought the spotlight of controversy to promote her causes. If circumstance would not give her a platform, she worked quietly behind the scenes for the same causes. She was committed to mankind on a personal and collective basis.

We Montanans are deeply proud of our most distinguished leader. We treasure the independence and humanity that were Miss Rankin's hallmarks. We are sorry she is gone, but we rejoice in a long life well lived.

IN COMMEMORATION OF THE LOSS AND SUFFERING OF THE DEAD AND WOUNDED MEMBERS OF THE ARMED FORCES OCCASIONED BY THE WAR IN VIETNAM

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself, with Memorial Day just around the corner, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NUNN). The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 117) commemorating the loss and suffering of the dead and wounded members of the Armed Forces occasioned by the war in Vietnam.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, this week the Senate approaches its Memorial Day recess, a time when the Senate adjourns to join the Nation in honoring those who have made personal sacrifice for their Nation in time of war. In preparing for this occasion this year, the Senate has gone on record to single out specifically for special tribute those missing in action as a result of the war in Indochina. In past years, the prisoners of that war whom we welcomed home a short time ago were similarly honored.

It is hoped that America will recall the others who are not MIA's and who are not POW's. It is hoped that America will remember those to whom we owe, I believe, special recognition and more from a grateful land. These are the casualties whose numbers comprise the largest single adverse statistic of the war in Vietnam. I speak of the dead and the wounded, and it is in their behalf and to honor them that the distinguished minority leader and I rise in the Senate today to present the resolution now before the Senate.

The war in Vietnam may be over and the prisoners may be home. Not coming home, however, are the 56,244 American GI's who were killed in this tragedy.

And coming home broken both in body and in spirit are many of the 303,635 American GI's whose wounds left them torn and maimed, at times legless or armless or sightless, surviving only as living testaments to the waste and tragedy of this war in Vietnam. Their numbers alone contain 25,000 paraplegics and quadraplegics. Countless more are bedridden, mangled, confined to wheelchairs and otherwise left with scars that mean imprisonment—imprisonment not for just 2 years, or 6 years, or 10 years, but imprisonment for a lifetime.

And what about those 56,244 who returned to America in coffins? To them and to their families is owed the highest tribute. They made the supreme sacrifice. They gave their lives.

The war in Vietnam may be over. But I pray that we never terminate our regard for the thousands upon thousands of casualties of that war—the dead and those in homes and hospitals across the land who are threatened no longer by death but who are instead threatened by the indifference of society no longer at war.

To them and to their families, on this Memorial Day, just as to the families of the missing and to the POW's, is owed not just the thanks of a grateful Nation but a pledge of justice, equity, care, and concern for their well-being now and forever.

Mr. President, I ask unanimous consent to have printed in the RECORD the last casualty list, dated January 27, 1973, and extending from January 1, 1961, as well as an article published in yesterday's Washington Star, entitled "Notes of a 'POW'—Doing a Life Term."

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

NUMBER OF CASUALTIES INCURRED BY U.S. MILITARY PERSONNEL IN CONNECTION WITH THE CONFLICT IN VIETNAM, CUMULATIVE FROM JAN. 1, 1961 THROUGH JAN. 27, 1973

	Army	Navy[1]	Marine Corps	Air Force	Total
A. Casualties from actions by hostile forces					
1. Killed	25,373	1,092	11,478	495	38,438
2. Wounded or injured:					
(a) Died of wounds	3,516	146	1,451	48	5,161
(b) Nonfatal wounds:					
Hospital care required	96,802	4,178	51,392	931	153,303
Hospital care not required	104,718	5,898	37,202	2,514	150,332
3. Missing:					
(a) Died while missing	1,689	187	5	440	2,321
(b) Returned to control	54	5	2	35	96
(c) Current missing	258	142	96	724	1,220
4. Captured or interned:					
(a) Died while captured or interned	15	1	3	2	21
(b) Returned to control	57	7	12	8	84
(c) Current captured or interned	87	169	26	309	591
5. Deaths:					
(a) From aircraft accidents/incidents:					
Fixed wing	90	166	144	761	1,161
Helicopter	2,389	66	432	75	2,962
(b) From ground action	28,114	1,194	12,361	149	41,818
Total deaths[2]	30,593	1,426	12,937	985	45,941
B. Casualties not the result of actions by hostile forces					
6. Current missing	103	1	14		118
7. Deaths:					
(a) From aircraft accidents/incidents:					
Fixed wing	276	187	46	290	799
Helicopter	1,875	55	242	19	2,191
(b) From other causes	4,995	636	1,392	290	7,313
Total deaths	7,146	878	1,680	599	10,303

[1] Navy figures include a small number of Coast Guard casualties.

[2] Sum of lines 1, 2(a), 3(a), and 4(a).

NOTES OF A "POW"—DOING A LIFE TERM

(By Pete Rios with Rob Warden and Terry Shaffer)

CHICAGO.—Of all the shots fired in a battle, one sounds different from the rest and you know, instinctively, that bullet has your name on it.

I know this because I was a U.S. Army medic in Vietnam. I heard it over and over from the guys I patched up on the battlefield.

And I know because I definitely heard the bullet that got me. Rifles and machineguns were blazing all around, and one crack was more distinct than any other. It was for me.

I had been in Vietnam six months. The life expectancy of a medic was only three or four months.

My number came up on July 19, 1966, two days before I was scheduled to leave Vietnam for a rest period. We were in a reactionary platoon, intended to back up another group on a search-and-destroy mission.

We were waiting when suddenly the radio man from the other platoon screamed over the horn, "My God, there are Viet Cong all over the place." Then we went into the main battle in choppers. We landed in a mine field. We lost complete ships carrying men. It was complete chaos.

I was moving cautiously from body to body, carrying my aid bag, looking for a few who weren't beyond help.

I was on one side of a dirt bank in a rice paddy, and the first sergeant yelled to me to get a man lying on the other side. I told myself I would count to three and jump over, and I did. One, two. Three.

Crack! I heard the one that got me.

When I fell to the other side, I was paralyzed. Already, my body was drawn up, twisted, and I hurt all over. Even my lips and my tongue hurt. My eyebrows hurt. It was just one tremendous charleyhorse.

The first sergeant grabbed me, and I remember him shaking me and screaming, "Doc, Doc, you okay?" then he turned, and I will never forget the words, "Oh, my God, Doc's dead.

I wasn't dead. I wasn't. I kept thinking, "I'm alive, save me!" But I couldn't talk or move and the sergeant moved on to someone else. I never saw him again.

Lying there, I guess I became religious all of a sudden. I was making these vows, thinking, "God, if you'll make me live, I'll do this or I'll do that."

Charlie—that's what the GIs called the Viet Cong—came over and took my .45, my aid bag and some other equipment. He kicked me in the left hand to see if I was alive. God, my heart was pounding so loud I knew he would hear it. But he didn't.

I couldn't see what was happening around me, but I heard moans and cries for help from others in my platoon, and I heard shots. Then all was still.

The man who saved me was named Grayson, a black man from Ohio who, a little earlier, had been my very first patient in that skirmish when he caught some shrapnel in the chest.

Although he was badly hurt, he managed to drag me about 80 feet to a bush area.

I don't know how we could laugh when we were lying there about to die, but we did. Grayson was making wisecracks. I'm a Mexican-American and I broke up when this black guy says, "Lookit, of all the guys, why do I gotta die with you—a member of a minority group?"

Off in the distance, we could see a chopper, just a speck in the sky. But we didn't know if it would come down for us.

It was a famous trick of Charlie to wipe out a unit and then dress up in the uniforms they took off the dead to get a chopper down. Then they'd blast the hell out of it.

For some reason Charlie didn't try that in this case. But we couldn't expect the guys in the chopper to know that.

That's when Grayson really used his head to save our lives. He ripped off my fatigue jacket and took his off. Then he put his body across mine, forming a black and white "X" visible from the air.

The purpose of this was to show the pilot he was black. "I know he never did see a nigger Charlie," Grayson said.

When the chopper flew over us, we could see it was just an observation ship, carrying two men, and we knew it couldn't take us. But the pilot signaled that he would send someone back for us.

I had no sense of time, so I don't know how long we were there before the other chopper came. But they got us out of there, God bless them. As we were being taken out, I could hear the ping of rifle bullets hitting the bottom of the helicopter.

Grayson and I were the only ones who came out of there alive, and this created a great psychological bond between us. We absolutely went bananas, crying and screaming, when they tried to separate us. The doctors understood and even let us go to surgery together, not separating us until the anesthesia took over.

After a little while in the field hospital, they flew us to Saigon and we were in a big military hospital there.

A lieutenant colonel came in our room right after we got there to present us with the purple heart. Passing out purple hearts probably was his main job. He had dark glasses, just like Gen. MacArthur's, and a cigaretteholder. His khakis were starched so much I don't think he could bend over, and the nurses were around him like bees on honey.

He gave us a little talk about how we had served with honor, and said he was proud of us.

What disillusioned me, and it was to be the first of many disillusionments, was that they misspelled my name on the award. Although I always go by "Pete," my real name is Adolphe. They spelled it "Adolfe."

I guess it's not important. But it seemed to me that if a colonel is going to come and tell you what a great credit you are to your country, they at least ought to go to the trouble to find out how to spell your name.

A week later we were flown to Travis AFB, Calif., and psychologically we were in pretty bad shape because we knew we were permanently disabled. But we had adjusted enough that we could be put into different rooms.

We were to spend only one day at Travis and go to Andrews AFB in Washington to be treated at Walter Reed Army Hospital.

When I woke up, the doctors at Travis gave me a strong sedative. Then they told me Grayson had died during the night.

It was a tremendous shock. He was the best friend I ever had or will have and, you know, I don't even know his first name.

At Andrews I was greeted by another lieutenant colonel. So help me, they must print those guys. This one didn't look like he could bend over either, and he repeated almost word for word the little speech I had heard in Vietnam.

But the program at Walter Reed was fantastic. They made you do things for yourself. For instance, I had to feed myself from the start. The first day, I held a bowl of corn flakes with my chin on my chest and spilled most of them all over my neck. But I got better at eating corn flakes as time went on.

By the end of the first week. I could operate a wheelchair. I went on physical therapy for as long as I could take it, up to eight hours some days. By the end of my two-month stay, I could walk with leg braces and crutches.

Then I was discharged from the Army, which made me ineligible for further treatment at Walter Reed but qualified me for veteran's benefits. I left Walter Reed on Oct. 16, 1966, to come to the Hines VA Hospital near Chicago, my hometown.

It was another world.

Two days after I arrived at Hines, I had my first physical therapy appointment and I was looking forward to it because of the progress I had made at Walter Reed. That morning, I put my braces and my pants on and walked on crutches down to the physical therapy room.

The doctor took one look at me and said, "I thought you were a young (recent) injury." I told him that was right, that I had been wounded just a little more than three months earlier.

"Well, it's impossible for you to walk," he said.

"What do you mean?" I demanded. "You can see I am walking, can't you?"

"Young injuries," he informed me, "never walk so soon."

So I walked back to my room, took off the leg braces stood the crutches up in the corner and went back to physical therapy in my wheelchair.

That seemed to please the doctor very much.

One night not long after that, we were having a pillow fight in the ward. I knew that's childish, but what the hell. Anyway, I let one guy have it with a pillow and, in the process, threw my right shoulder out of joint.

It really hurt, and everybody was yelling, "Nurse, nurse!" She came right in, but wouldn't help me. "You deserved it," she said. "You deserved it, having a pillow fight at your age." She just turned around and left, saying she had to work on some charts.

I didn't get to see a doctor until about an hour later. Since I had thrown my shoulder out before, I knew what had to be done. But the doctor didn't seem to know. I tried to explain it to him.

"Use the simple fulcrum method," I said.

"Don't tell me what to do," he snapped. "I'm the doctor."

Well, he tugged and pushed awhile, and when it became obvious that he wasn't accomplishing anything, he got me on a litter and took me to the emergency section.

They called the orthopedic doctor on duty. He took one look and used the simple fulcrum method, just like I had asked the doctor on the ward to do in the first place.

On another occasion, I had an upset stomach. I have irritable bowels, which is common among paraplegics. "Nurse," I said, "I think I'm going to have diarrhea." I asked if I could have Lomotil, an antidiarrhea drug.

She said she wasn't allowed to give a patient medication without the doctor's orders. "Look," I said, "do I have to get diarrhea before I can have anything for it?"

"That's about the way it is," she said, and she wouldn't ask the doctor,

Well, I got diarrhea, of course, and then the nurse gave me Kaopectate, an awful-tasting creamy liquid that cures diarrhea for some people.

I protested that Kaopectate never worked for me, but the nurse said she would wait and see. It took her about an hour and a half to figure out that I was right. Then the doctor agreed I could have Lomotil.

I suppose what I object to is always being categorized as "a patient." There is a nurse, a patient. There is a doctor, a patient. Never Pete Rios. You are in a wheelchair, so you are "a spinal-cord injury"—not a person. You are 30 years old, and you've had more than your share of experiences, but you are treated as if you were a child.

For instance, an aide brings you a menu before meals. The menu has no purpose. If you don't like something, you don't mark it on the menu. But you get it anyway. "This is good for you," the nurse says.

You get a monthly allotment check from the government because of your disability. You are legally entitled to the money and don't owe an accounting to anyone. But that doesn't stop a social worker from coming around to ask how you spent it.

Since you are "a patient" and expected not to think, you should not ask questions about your own body. You don't need to know why your bowels won't work, why you can't have sexual relations, why you are spastic, why one foot is colder than the other one, why you have pain.

Oh, we have had classes and a nurse puts an anatomical chart on the wall. "This is your spinal cord," she says, pointing to the chart. "This is where you are injured." In sum, you are to accept pain because you are supposed to have pain. Lesson concluded.

When I came to Hines, it seemed that people who can't get jobs digging holes on the outside come to work for the VA. For example, there was a man who worked in the spinal injuries section at Hines who didn't seem to like anybody too much. I called him Badass.

We have one portable telephone in the section for 40 patients. It is supposed to be the patients' phone, and while some of the paraplegics can get to another phone, the portable one is the only means of communication that the quadriplegics have with the outside.

The employes aren't supposed to use the portable phone. All they have to do is walk about 30 feet out into the hall to use another phone. But Badass continually made and received calls on the patients' phone, and he tied it up for 15 to 20 minutes at a time.

One night, a good friend of mine, Jam Imperiale, who is a paraplegic, had the phone beside his bed and received a couple of calls for Badass. But he would not let them talk to Badass. He said they should call back on the staff phone.

And one of them did, apparently telling Badass what Imperiale had said. Imperiale had just gotten into his wheelchair when Badass came in and literally yanked him out of the chair and hit him in the back.

Imperiale complained to the nurse, who was afraid to do anything about it. But Badass threatened to kill Imperiale if he ever caught him outside the hospital.

That weekend, Imperiale had planned to leave the hospital. But when he got to the front door, he saw Badass and three other guys sitting in a car. One of them raises up a baseball bat to scare Imperiale. It scared him, all right. He didn't leave that weekend and, in fact, never left again until he was discharged to go home.

One of the unfortunate things about the wonderful personality of Badass was that it was contagious. Everybody who worked with him seemed to adopt his style, and before you knew it, some of the patients had to pay bribes if they wanted to be turned over in bed or get water or have their urine bags emptied.

It's understandable why some employes are inclined to look for payola. Some of them have families and they earn no more than $550 a month before deductions. They see the helpless patients they're allegedly caring for as easy marks. A totally disabled man with a service-related injury gets about $1,400 a month from the government tax free.

Some of the employes also supplement their incomes by acting as "rum runners" for patients. Only a few will do this, and they'll do it only for patients they trust implicitly. Otherwise, their necks would be in a noose. The way it works, essentially, is that if you want a half-pint that costs $2.50 in a liquor store, a runner is at your your service for a total price of $5.

Narcotics and even prostitutes are available through the same system. I admit this isn't extremely widespread, but I personally regard it as a serious scandal. The hospital officials contend that, since there are about 14,000 patients at Hines, a small society, it shouldn't be astonishing that you find essentially the same vices and problems that exist in the larger society.

I have been disappointed to find that the public seems cognizant only of the fact that many Americans (about 47,000) were killed or missing in Vietnam and that the remaining hundreds of thousands who served there came home. Nobody seems to think of the fact that 153,000 were wounded or that 7,750 came back blind or with missing or useless legs.

Sure, you read in the newspaper that a dozen or so were wounded from time to time, but that doesn't convey what really happened. If you want to see the aftermath of all the gory splendor of Vietnam, just take a stroll through the second-floor spinal injuries section at Hines.

Few Americans, to be sure, considered Vietnam a noble conquest, and we certainly didn't come back to tickertape parades. It was different than World War II and Korea, when, so I understand, all America seemed to be shouting, "hooray for the veterans!"

People not only don't give a damn today, but some of them are downright antagonistic toward you.

Once when I was out of the hospital, I went into a bar to keep a date with a waitress. A drunk at the bar turned to me and yelled, "You came in here in that wheelchair because you want a free drink. I know your kind. I had polio, but I had enough guts to get up."

I tried to ignore him, but then he came over and whirled me around in the wheelchair and threw a drink in my face. "There's your free drink. I won't buy you another one."

God, I wanted to walk then. I prayed, "just two minutes, Lord." I prayed to the devil, "if you want my soul, just let me walk two minutes." But nobody answered my prayers.

Another time, I went with a young lady to a downtown restaurant where there was a long line of people waiting to be seated.

A waiter came over to us and said, "I have a table ready for you." He wheeled me around several couples who had been waiting longer than we had.

The restaurant had a special section set aside for wheelchairs—not to put you where you wouldn't be seen, but a place where you could be comfortable and still not feel shunted aside. I thanked the waiter.

Then a woman who had been waiting in line a long time came up to me and said something about respecting your elders. She berated me for being disrespectful to her and asked, "how did you get hurt anyway?"

I said I was shot in Vietnam.

"Well," she said, "you certainly deserved it."

Thirty seconds, Lord, please.

Once I was in an elevator in my wheelchair and more and more people kept crowding on it. A woman tore her dress on the brake of the chair. She blamed me for it, rather abusively.

But I was ready with a classic come-back: "I hope, madam, that in the next life our roles aren't reversed, so that I won't rip my dress on your wheelchair."

The VA merely reflects the attitudes of the public and the White House. The public would prefer not to be reminded of us, and the president shows his gratitude by trying to cut VA benefits by $7 billion.

And where do you suppose are the people and the flags? They were greatly in evidence for the returning prisoners of war. But their absence now goes to show, I think, that either you were killed in Vietnam, you were a prisoner, or you just don't count.

Most severely disabled veterans, frankly, are not overly impressed that an American prisoner spent 22 years in China or eight years in Hanoi. We're glad, of course, that they came back.

But now we are the only POWs.

Guys who are blind or crippled are going to be POWs as long as they live.

There is no time limit—not eight years, or 22—on that kind of imprisonment.

Mr. SCOTT of Pennsylvania. Mr. President, I join the distinguished majority leader in offering this resolution. We have paid our respects and shown our honor and pride in the prisoners of war and the missing in action, and it is only suitable that at this Memorial Day period we note for the Nation our grief and theirs at the loss of these great and fine and valued Americans who made the supreme sacrifice.

As the distinguished majority leader has noted, many of these returned veterans are permanent POW's living with their disabilities, adjusting as well as they may to the world to which they returned after they had done their duty and had followed the precepts of duty, honor, and country and had served valorously and honorably.

Of the dead, there is a ceremony at remembrance day time in Australia where a verse is repeated every year. It is known to every Australian, it is known to many Americans, and I conclude with it in this tribute to the dead:

They shall grow not old,
As we that are left grow old.
Age shall not weary them
Nor the years condemn.
At the going down of the sun and in the morning, We will remember them.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 117) was unanimously agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 117

Whereas, This Nation's participation in the war in Vietnam has ended and all American prisoners of war have been returned; and

Whereas, Since 1961, 56,244 men have given their lives in the service of their country in their tragic war; and

Whereas, Since 1961, 303,635 men have returned from Southeast Asia casualties of this war, many thousands of whom have been returned with bodies and spirit permanently broken and scarred by the wounds of war, Be It

Resolved, That the United States Senate mourns the death of all these courageous Americans, commemorates their memory, and recognizes its obligation especially to those Americans returned with broken and dismembered bodies who shall be imprisoned the rest of their lives as a result of these tragic hostilities, and Be It Further

Resolved, That the United States Senate shall dedicate itself to the debt it owes these Americans and shall look to them as a living reminder of the tragedy of the Vietnam conflict, and Be It Further

Resolved, That on Memorial Day, May 28, 1973, special commemoration be accorded the 359,879 dead and wounded members of the Armed Forces whose loss and suffering were occasioned by the war in Vietnam.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time charged to the Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR HOUSE JOINT RESOLUTION 296 TO BE HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent to hold House Joint Resolution 296 at the desk. A companion resolution will soon be reported in the Senate.

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

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. Nunn) laid before the Senate a message from the President of the United States submitting the nomination of Adm. William F. Bingle, U.S. Navy, for appointment to the grade of admiral, when retired, which was referred to the Committee on Armed Services.

QUORUM CALL

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

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

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the time allocation to the distinguished Senator from West Virginia.

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

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.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining under the order?

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes remaining under the order.

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

ROBERT C. BYRD TO VOTE FOR RICHARDSON

Mr. ROBERT C. BYRD. Mr. President, I shall cast my vote, albeit reluctantly, for Elliot Richardson to be Attorney General of the United States—reluctantly, not through lack of respect and admiration for his ability or for him as a person or for him as a public official, but, rather, because of the unfortunate situation in the context of which his nomination must be judged. I refer to the Watergate scandal, and to the fact that Mr. Richardson, as Attorney General, may, and probably will, make certain decisions affecting some of his colleagues and associates—former or present—in an administration to which he owes this, his fourth important and high appointment. With all proper respect for Mr. Richardson, I wish the President had gone outside the administration and brought in a fresh name and a fresh face for the sensitive task of carrying the ultimate responsibility for the Watergate investigation.

Surely no one man in America is so equipped with intelligence, integrity, and experience that he stands pre-eminent and head and shoulders above and alone among his fellow Americans as the only man equipped to serve as Attorney General and because of this he must be pulled out of the office of Secretary of Defense for which he was so recently confirmed after prior service as HEW Secretary in the Cabinet and earlier service in the State Department as Assistant Secretary.

Surely, we are not to believe that our country is so devoid of talented and eminent men that only one man—Mr. Richardson, able and dedicated though he is—is available, and that he must be shuttled from pillar to post in an effort to deal with each new and succeeding crisis. May Heaven come to our aid if this is our sad state.

Highly respected though he is, Mr. Richardson's appointment to be Attorney General is, I believe, regrettable and unfortunate. At another moment in history, I would support his nomination with enthusiasm. Coming, as it does, at this crucial time, however, I can only support his nomination with some misgivings. It is possible that his performance in office will erase all doubt, and hopefully it will, but as one who has the constitutional duty of voting on his nomination under the circumstances, my sensibilities are offended, at least to a degree, at being forced to make an affirmative decision almost without a choice to do otherwise. For time is passing and the hour is late. There has already been too long a delay in the full and thorough prosecution of all the crimes suspected to have been committed in the context of what has become a generic term for infamy—Watergate. Of course, Mr. Richardson's nomination could be rejected, but that would necessitate our having to start all over again with no assurance of better luck the next time around.

The Attorney General designate has been patient and cooperative, and he has conscientiously sought to allay every concern and every doubt harbored by Judiciary Committee members. He has prepared guidelines for the direction of a special prosecutor, and he has now selected a highly reputable outside prosecutor. Mr. Richardson has revised, reworked, and refined the guidelines in response to questions by members of the Judiciary Committee, asked of him both privately and publicly. All of this is to his credit.

I think, therefore, that we on the Judiciary Committee have gone as far as we can go and done all we can do to assure an objective and thorough investigation and prosecution of the Watergate case.

Deficiencies may yet exist in the guidelines, if we are to accept the premise that nothing is perfect. Short of absolute and complete authority for the prosecutor, one cannot be sure beyond peradventure of doubt that he will be genuinely independent. But at least the guidelines would seem to provide for such independence. The answers by both Mr. Richardson and by Mr. Cox to questions which I have asked today in the Judiciary Committee would appear to alleviate all reasonable concern that the special prosecutor be given the full and complete independence that he will need. It will be up to him now to live up to his assurances and to the expectations and the duties required of him. At least the instrumentalities exist whereby the prosecutor can bring to public account, if he will, any attempt to hinder or pressure or obstruct him in the pursuance of his duty without fear or favor.

Let it be clear, however, that it is not the name of Mr. Cox that is subject to Senate confirmation. It is the name of Mr. Richardson, and no one else.

Initially, I thought the idea advanced by Mr. Richardson was a good one, namely, that the Senate express itself in support of the special prosecutor selected. I have changed my mind. The Senate is not required by the Constitution to pass judgment on this nonstatutory appointment, and it ought not assume this nonobligatory burden. The burden should rest with Mr. Richardson—that is where it began and that is where it should end—with Mr. Richardson carrying full responsibility for the choice and selection of the prosecutor.

That is all the more reason why Mr. Richardson will want to see to it, in the end, that the work done is well done and so recognized as having been well done by all.

In my judgment, the Senate should act quickly now to confirm Mr. Richardson's nomination. If he is to fulfill the trust reposed in him, he ought to be allowed to begin with due haste.

The Committee on the Judiciary should, of course, complete its interrogation of the Attorney General designate and of the special prosecutor who has

been selected by Mr. Richardson. Once that interrogation has been completed, I believe that the Senate then should move as quickly as possible to proceed to the consideration of the nomination and to act on the confirmation of the nomination, hopefully before the Memorial Day recess. Time, unbridled, will ill serve the cause of justice in these circumstances.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. NUNN). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

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.

COMMUNICATIONS FROM EXECUTIVES DEPARTMENTS, ETC.

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

PROPOSED CONTRACTS FROM DEPARTMENT OF THE INTERIOR

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Rapidex, Inc., Boxford, Mass., for a research project entitled "Wedge Longwall Cutterhead Development" (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

A letter from the Deputy Assistant Secretary of the Interior, transmitting pursuant to law, a proposed contract with Arthur D. Little, Inc., Cambridge, Mass., for a research project entitled "High Working Level Alarm" (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with MSA Research Corporation, Evans City, Pa., for a research project entitled "Improved Dust Control at Chutes, Dumps, Transfer Points, and Crushers in Noncoal Mining Operations" (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

REPORT RELATING TO A NEW ATTITUDE ON AGING

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Toward a New Attitude on Aging: A Report on the Administration's Continuing Response to the Recommendations of the Delegates to the 1971 White House Conference on Aging," dated April 1973 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE OZARKS REGIONAL COMMISSION

A letter from the Federal Cochairman, the Ozarks Regional Commission, transmitting, pursuant to law, a report of that Commission, though December 31, 1972 (with an accompanying report). Referred to the Committee on Public Works.

REPORT ENTITLED "WASTE OIL STUDY, PRELIMINARY REPORT TO THE CONGRESS"

A letter from the Acting Administrator, Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Waste Oil Study, Preliminary Report to the Congress" (with an accompanying report). Referred to the Committee on Public Works.

PROPOSED LEGISLATION FROM THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the National Visitor Center Facilities Act of 1968 to authorize certain interpretive transportation services, and for other purposes (with an accompanying paper). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A joint resolution of the legislature of the State of Utah. Referred to the Committee on Finance:

"H.J.R. No. 16

"A joint resolution of the 40th Legislature of the State of Utah memorializing the Congress of the United States to support efforts to increase the adequacy of the railroad retirement system through the ton-mile tax

"*Be it resolved by the Legislature of the State of Utah:*

"Whereas, new approaches are needed to the problem of financing the Railroad Retirement System to protect the pensions of members of the system as well as all other railroad employees;

"Whereas, the present Railroad Retirement System is not in the position of guaranteeing a continuation of all present benefits or to provide necessary financing to insure a reduction in retirement age;

"Whereas, a method of insuring a sound retirement system for present and future pensions is needed without interference from regulatory agencies; and

"Whereas, the "Ton-Mile Tax" would be an equitable method of insuring the financial soundness of the Railroad Retirement System;

"Now, therefore, be it resolved, that the 40th Legislature of the State of Utah memorialize the Congress of the United States to pass the "Ton-Mile Tax" in order to insure the financial independence of the Railroad Retirement System.

"Be it further resolved, that the Congressional delegation from the State of Utah use their efforts to support this concept.

"Be it further resolved, that the Secretary of State of Utah send copies of this resolution to the Senate and House of Representatives of the United States and to each Senator and Representative from the State of Utah."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 925. A bill to establish a Federal Financing Bank, to provide for coordinated and more efficient financing of Federal and federally assisted borrowings from the public, and for other purposes (Rept. No. 93–166), together with individual views.

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

S. 1016. A bill to provide a more democratic and effective method for the distribution of funds appropriated by the Congress to pay certain judgments of the Indian Claims Commission and the Court of Claims, and for other purposes (Rept. No. 93–167).

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. MANSFIELD:

S. 1848. A bill for the relief of Mrs. Lucy Locke. Referred to the Committee on the Judiciary.

By Mr. SCOTT of Virginia (by request):

S. 1849. A bill to authorize the disposal of various materials from the national stockpile and the supplemental stockpile, and for other purposes. Referred to the Committee on Armed Services.

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

S. 1850. A bill to amend section 507 of the Housing Act of 1949 to make the veterans' preference applicable to veterans of the post-Korean era, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 1851. A bill to amend title V of the Housing Act of 1949 to provide for the use of fee appraisers and construction inspectors, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BENTSEN:

S. 1852. A bill for the relief of Georgina Henrietta Harris. Referred to the Committee on the Judiciary.

By Mr. HANSEN:

S. 1853. A bill to amend the Internal Revenue Code to encourage development of processes to convert coal to low pollutant synthetic fuels. Referred to the Committee on Finance.

By Mr. BARTLETT:

S. 1854. A bill to authorize funds to compensate the Cherokee Nation, a tribe of Indians of Oklahoma, for the loss of 545,175.14 acres of land. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS (for himself, Mr. STEVENS, Mr. RANDOLPH, and Mr. GRAVEL):

S. 1855. A bill to promote the development within the United States and foreign countries of American arts and handcrafts. Referred to the Committee on Commerce.

By Mr. BARTLETT:

S. 1856. A bill to determine the rights and interests of the Choctaw Nation, the Chickasaw Nation, and the Cherokee Nation in and to the bed of the Arkansas River below the Canadian fork and to the eastern boundary of Oklahoma. Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE:

S. 1857. A bill to provide opportunities for employment to unemployed and underemployed persons, to assist States and local communities in providing needed public services, to amend the Public Works and Economic Development Act of 1965 to establish a program to assist municipalities and businesses in urban industrial development, for other other purposes. Referred, by unanimous consent, jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Labor and Public Welfare.

S. 1858. A bill to establish a comprehen-

sive employees pension plan protection system. Referred to the Committee on Finance.

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

S. 1859. A bill directing the Secretary of Defense to transfer jurisdiction and control of a portion of the property comprising the Boston Naval Ship Yard at Charlestown, Mass., to the Secretary of the Interior. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 1850. A bill to amend section 507 of the Housing Act of 1949 to make the veterans' preference applicable to veterans of the post-Korean era, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce for myself and Senator TOWER a bill to amend section 507 of the Housing Act of 1949 to make the veterans' preference applicable to veterans of the post-Korean era, and for other purposes.

This bill was recommended to the Congress by the Department of Agriculture. I ask unanimous consent that the letter from the Department of Agriculture transmitting this measure be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 23, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a proposed amendment to Title V of the Housing Act of 1949, as amended, to extend veterans' preference for housing loans to veterans of the post-Korean era.

Section 507 of the Housing Act of 1949 directs that preference be given to veterans and to families of deceased servicemen who apply for rural housing loans. The bill would amend section 507 to include as "veterans" those persons who served in and were discharged on other than dishonorable conditions from the military forces of the United States during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101 (29) of Title 38, United States Code). The term "deceased servicemen" would be expanded to include persons who died in military service during this same period. These changes would extend the preference provisions so as to add the Vietnam era and the post-Korean conflict period to the time intervals already covered by section 507. This proposed change is consistent with the national policy of recognizing the fairness of according veterans and the families of deceased servicemen special treatment in various ways.

Section 102(2)(c) of Public Law 91-190 does not apply to this legislation. Therefore, an environmental statement is not enclosed.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,
J. PHIL CAMPBELL, *Under Secretary.*

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

S. 1851. A bill to amend title V of the Housing Act of 1949 to provide for the use of fee appraisers and construction inspectors, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I introduce for myself and Senator TOWER a bill to amend title 5 of the Housing Act of 1949 to provide for the use of fee appraisers and construction inspectors and for other purposes.

This bill was recommended to the Congress by the Department of Agriculture. I ask unanimous consent that the letter from the Department of Agriculture transmitting this measure be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 6,1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is an amendment to Title V of the Housing Act of 1949 to authorize Farmers Home Administration to contract for inspection and other services incident to the housing program and to use the Rural Housing Insurance Fund to pay for these and related program expenses and services.

In order to improve the timeliness of the administration of our housing programs, we need to make use of the services available by contract to the building and home mortgage industries. We propose to contract for such services to the extent necessary to supplement the agency's staff. Because of a rapid increase in the rural housing program volume without a corresponding increase in the agency's staff, this discretionary authority is needed to provide prompt services to applicants, borrowers and builders. The contract employees authorized by the bill would not be considered as Federal employees for any purpose.

The suggested amendment of section 506 (a) of the Housing Act of 1949 would eliminate the requirement that construction would be inspected by employees of the Secretary. This would permit, but not require, the inspections on a home to be made by fee inspectors.

The cost of outside services would be paid for out of charges made against the loan or out of other funds. The amendments to section 517(j)(3) would permit charges and payments for services to be handled through the Rural Housing Insurance Fund.

No additional funds would be needed for these proposed changes.

The Office of Management and Budget advises that these proposals are consistent with the Administration's objectives.

Sincerely,

By Mr. MATHIAS (for himself, Mr. STEVENS, Mr. RANDOLPH, and Mr. GRAVEL):

S. 1855. A bill to promote the development within the United States and foreign countries of American arts and handcrafts. Referred to the Committee on Commerce.

Mr. MATHIAS. Mr. President, today I am introducing a bill to promote the development within the United States and foreign countries of American arts and handcrafts. This bill is designed to fill a great gap in our existing craft programs and to help the citizens of other nations understand and appreciate American culture.

Whereas we can all appreciate the merits of funding for great artistic endeavors such as classic operas and great symphonies, it has long been my feeling, as an American interested in preserving his cultural heritage, that perhaps the most reflective of American customs, folkways, and traditions are the handcrafts of our talented craftsmen.

Our country has a rich folk tradition and a wide diversity of people and races. Yet, I have been disturbed to discover that almost nowhere outside the United States, and at very few places within this country, can one have the benefit of viewing or purchasing authentic American artifacts and handcrafts so illustrative of American ingenuity.

Anyone who has visited another country knows that the most valuable souvenirs of his travels are those items representing that country's culture and customs. Visitors to our country do not only shop for electric coffee pots and toasters, but also search for ceramic, wood, and metal artistry as well as Indian headdress, moccasins, and other ethnic products.

Among the most interesting experiences I have had in the crafts field was attending the Smithsonian's Annual Folklife Festival last summer on the National Mall in Washington. The folk traditions of a different State are featured there each year, and last year, we were proud to have Maryland as the featured State. On the Mall, Maryland's craftsmen, musicians, dancers, horsemen, hunters, wood carvers, trappers, and beekeepers set up shops and exhibited their talents. In addition, a special site on the Potomac River was added to the festival last year for a large exhibition of the water traditions and skills of Maryland's Eastern Shore.

The large turnout for this 5-day event was reflective of the strong and growing interest in and demand for authentic American handwork. Many Americans, and foreigners alike, are eager to learn more about the American character and gain a better understanding of our skills and folkways. Therefore, it occurred to me that displaying both in this country and in U.S. embassies abroad the products of American craftsmen—Eskimos, Indians, New Englanders, Southerners, Appalachian, and other Americans—would serve to fulfill this basic desire to gain a better insight into the American character, and the American heritage.

It is estimated, however, that if we were to begin today such a program for domestic and foreign exhibition of American handcrafts, it would take but a short while to drain the supply of quality crafts available for display. The reason for this deficiency is the shortage of programs to assist those interested in expressing themselves through crafts in the design, production, advertising, or marketing of their crafts.

Last year, therefore, I introduced legislation to correct this situation. Although the bill was introduced late in the Senate session, it was cosponsored by nine of my Senate colleagues, Senators CHILES, STAFFORD, FONG, RANDOLPH, JAVITS, GRAVEL, BAYH, and ROBERT C. BYRD, and some members of the Senate Commerce Committee to which it was referred expressed great interest in its passage. Today, I am introducing it

again and it is my hope that it will receive early and favorable consideration by the Senate.

The legislation I am offering provides for the establishment and administration by the Secretary of Commerce, in cooperation with the Interagency Craft Committee, of a program to insure a lasting supply of authentic American arts and handcrafts. The program would provide assistance in the training of persons to design and produce quality crafts and would provide assistance to skilled craftsmen in advertising, conducting market research, shipping, displaying, and selling crafts within the United States and in foreign countries.

As I see it, the Office of American Arts and Handcrafts will provide the expertise, the guidance, and the coordination that is so desperately needed by the many excellent producers of American arts and handcrafts. Throughout this country, there are people creating beautiful and practical handcrafts and works of art—works that are representative of their ethnic origins, their region, and their American heritage. For many, this exercise of native creativity is primarily therapeutic; for others it is a livelihood. But for all of them, I have found that there is need for help in marketing their products and adjusting their production to meet the areas of demand. The purpose of my bill, therefore, is to create a bridge between the producers and the consumers.

It is my hope that through this far-reaching program, American ethnic and cultural groups across the country will have the opportunity to express their originality and creative ability to a worldwide audience.

By Mr. HARTKE:

S. 1857. A bill to provide opportunities for employment to unemployed and underemployed persons, to assist States and local communities in providing needed public services to amend the Public Works and Economic Development Act of 1965 to establish a program to assist municipalities and businesses in urban industrial development and for other purposes. Referred by unanimous consent, jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Labor and Public Welfare.

NATIONAL GROWTH POLICY EMPLOYMENT ACT OF 1973

Mr. HARTKE. Mr. President, today I introduce legislation to guarantee jobs to all who need them and to provide for a land-banking program to assist communities in attracting and maintaining an industrial base.

Mr. President, in recent months an ominous trend has developed in this country. We have seen the President dismantle social programs which benefit millions of Americans while at the same time increasing the funding for environmental programs. We have witnessed this event because this Nation recognizes the environmental crisis but is not yet equally cognizant of the depth and breadth of that crisis. We will soon see the passage of a national land-use policy bill which will gear itself to the issue of the environment, not to the interrelationship of the Nations' population growth, land use control, and unemployment, nor to economic and racial discrimination. If the Nation's environmental concern extended to the urban environment of the Nation's ghettos, if it extended to the vast areas of rural poverty, and if it extended to the waste and banality of the Nation's suburbs, then I would be less concerned.

We all know that the environmental crisis is real and ominous. While this administration tells us that the fight to clean up the environment is being won, we see the truth around us. The Club of Rome, the Commission on Population Growth and the American Future, and Barry Commoner, tell us something more akin to the truth. And yet, as Americans we often fail to respond to a problem until it reaches crisis proportions.

As we move toward that environmental crisis, we must remember that all of us will suffer from plant closings, inefficient allocation of resources, and fouled air and water. But the economically disadvantaged will be hurt the most. It is they who will see fewer resources devoted to their desperate needs; it is they who will be the first to lose their jobs; it is they who will have to bear the major brunt of the environmental crusade.

There is more than one way to approach the problem of economic growth. Recently, I proposed the National Growth Policy Planning Act to help the Nation plan for its growth so as to understand the trend and alternative solutions to the long range and interrelated problems which abound in our environment. Before we devote ourselves to limiting the Nation's growth, we must guarantee our poor and underprivileged an equal opportunity to succeed and a higher level from which to pursue that goal. Before we limit the Nation's growth, we must concentrate on guaranteeing that everyone has access to jobs that will provide the opportunity to swim rather than sink. That mandate is already in the law under the statute passed more than a quarter of a century ago, the Employment Act of 1946, which provides that Congress set a national goal "to promote maximum employment, production, and purchasing power." Only one agency in Government, the Economic Development Administration, has tried to combine the responsibilities of that act with an attempt to guide the Nation's growth and development. We need new tools.

Today, I offer the National Growth Employment Policy Act of 1973, a proposal to insure that we guarantee jobs for those who need them and provide a program for identifying and buying parcels of land that are needed in urban areas to insure that corporations do not relocate and create unemployment.

Title I would provide a job for every able-bodied American in need. In essence this "full employment" title assures that anyone who cannot find a job in the private sector will have access to a public sector job. These will not be transitional jobs, nor will they be make-work jobs. Instead, they will be jobs which will help translate the social concerns of government into concrete action. They will be jobs in which workers can take pride in their accompliishments.

As chairman of the Senate Committee on Veterans' Affairs, I am well aware of a most shameful aspect of the unemployment picture. Many of the unemployed are Vietnam veterans. Men torn from careers in formation, pulled away from jobs and normal lives, sent to Indochina, and then returned to a society that offers them no place. This is nothing short of a national disgrace. However, this Hartke bill will guarantee that special preference is given to the hiring of Vietnam and Korean veterans who served after 1964.

For the past 35 years we have assumed that the answer to a high rate of unemployment was either tax reductions or additional Government spending. Inevitably, both of these approcahes have failed. Although there has been increasing recognition of structural employment and the marked skill imbalances in the economy, most economists have supported monetary and fiscal policy as the main tools to assure full employment and price stability. What is needed is a new approach.

The current policies of the administration are but an extension of the high unemployment policies of the past. The policies will not succeed in lowering prices or holding back inflation, nor will they succeed in lowering unemployment much below the 5-percent level.

It is time that we broke with the misguided policies of the past and adopted a new economic game plan which will give us full employment without substantial inflation. By full employment I do not mean a 5-percent rate of unemployment or even a 4-percent rate, but something close to zero long-term unemployment.

Another smaller but equally significant group of unemployed are highly skilled but, because of changes in national priorities or unfair competition from abroad, have lost their jobs and are unable to find new ones.

Experience has made it clear that the private sector cannot expand to provide jobs for these millions of able-bodied unemployed without, at the same time, causing inflation. The answer lies in creating new public sector jobs—jobs financed by the Federal Government and provided at the Federal, State, and local levels.

Some may say that the cost for these new jobs will be excessive but such critics forget that we are already paying the unemployed through unemployment insurance and welfare programs. By paying the able-bodied unemployed for socially useful work, we can enhance the moral fiber of the Nation, stabilize and invigorate the economy.

Others may oppose any legislation which turns over to the public sector a larger portion of the Nation's economic activity than is customary during peacetime. To these people, I say that Government is in a unique position to calculate both the social costs and the social benefits of its activities. Government need not be solely concerned with maximizing profits and replacing manpower with technology. Instead, Government

can weigh the availability of unused manpower against the values of purer air and water, better schools and medical care, more livable cities, safer streets, better care of the aged, better mass transit, more day-care centers, and other services which can best be offered by Government. In short, Government can match the concerns of society to the resources at hand.

The continued growth of a technology-intensive society promises to leave millions of Americans with obsolete skills and no prospects of meaningful employment. This situation seems so needless and wasteful when there are so many unmet public needs crying for manpower. This title will provide many middle-aged Americans with new hope, start millions of young people on the road to productive lives, and assure our returning veterans of full membership in the society that sent them off to war.

Title II on urban employment and national growth amends the Public Works and Economic Development Act of 1965. It helps cities to set up land banks. The banks would consist of land purchased by municipalities for resale to manufacturing plants and business enterprises that otherwise might move from central cities leaving their workers behind. An analysis of nonresidential building permits reveals that in the last 5 years approximately 70 percent of all metropolitan industrial buildings were constructed outside of the central cities. Another study has found that during the past 5 census years, the suburbs of the 40 largest metropolitan areas gained 85 percent of the new jobs in manufacturing, wholesale and retail trade and related services. In these same areas, 99 percent of the new manufacturing jobs developed in the suburbs. This means that the jobs requiring the lowest skills and paying the lowest salaries are leaving the city, while the white collar firms remain.

Officials in several cities have been trying to set up land bank proposals on their own but have found it difficult. Urban unemployment is a tremendous problem, and our effort needs new direction. Not only must we provide for public service jobs, but we must insure that those jobs that are available in the private sector are not taken away. Thus, title II focuses on the main problem confronting firms that must expand, but find that it is uneconomical to do so inside the central city where a major drawback is the high cost of land. This land has been expensive because it is scarce and also because structures on it often must be demolished.

Under this title, city administrators aided by Federal loans and grants would embark on an aggressive program of identifying and buying parcels of land that are likely to be in demand for industrial expansions. The city would develop the land and hold it for resale. Out of a $450 million cash reserve set-aside by Congress, a city would obtain loans covering up to 90 percent of the purchase price of the land. The money could also be used for demolition. Corporations could borrow for construction and purchase of equipment. Certain conditions would have to be met to make the city or corporation eligible for the low-cost loans, including compliance with title VII of the Civil Rights Act of 1964 covering employment discrimination. A separate reserve of $50 million would be used to make grants to cities only, covering up to 25 percent of the project cost.

This program will be a self-sustaining program for the most part. The city would repay the Federal Government out of proceeds of land resale. Corporations would repay out of expanded revenues. The grants would be used primarily to make up the loss, if any, that a city might incur in selling land.

Mr. President, I ask unanimous consent that the text of my 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. 1857

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 "National Growth Policy Employment Act of 1973".

TITLE I—FULL EMPLOYMENT AND NATIONAL GROWTH

STATEMENT OF PURPOSES

SEC. 101. The Congress finds and declares that—

(1) to attain the objective of the Employment Act of 1946 "to promote maximum employment, production and purchasing power" it is necessary to assure an opportunity for a gainful, productive job to every American who seeks work and furnish the education, training, and job placement assistance needed by any person to qualify for employment consistent with his highest potential and capability;

(2) the United States has the capacity to provide every American who is able and willing to work, full opportunity, within the framework of a free society, to prepare himself for and to obtain employment at the highest level of productivity, responsibility, and remuneration within the limits of his abilities;

(3) the balanced growth of the Nation's economic prosperity and productive capacity is limited by the lack of sufficient skilled workers to perform the demanding production, service, and supervisory tasks necessary to the full realization of economic abundance for all in an increasingly technical society, while, at the same time, there are many workers who are working below their capacity and who, with appropriate education and training could capably perform jobs requiring a higher degree of skill, judgment and attention;

(4) the placement of unemployed or underemployed workers in private employment is hampered by the absence of a sufficient number of appropriate employment opportunities;

(5) there are great unfilled public needs in such fields as health, community improvement, education, transportation, public safety, recreation, environmental quality, conservation, and other fields of human betterment and public improvement, which can be met by expansion of public sector employment opportunities providing meaningful jobs for unemployed and underemployed persons, including those who have become unemployed as a result of shifts in the pattern of Federal expenditures;

(6) economic prosperity and stability in the United States and the well being and happiness of its citizens will be enhanced by the establishment of a comprehensive full employment program designed to assure every American an opportunity for gainful employment; and

(7) while there is an immediate national interest in an efficient and comprehensive means of guiding the nation's growth and while the rapid growth of the nation's population, a deteriorating environment, increasing urban sprawl, large scale industrial growth, conflicts in patterns of land use, the fragmentation of government entities, and the increased size, scale, and impact of private and public actions have created a situation in which growth policy management decisions of national, regional, statewide and local concern are often being made on the basis of expediency, tradition, short-term economic consideration, and other factors which detract from the real concerns of a sound national growth policy and are detrimental to the future well being of the nation; first priority should be given to providing employment and job stability to those who have the greatest needs.

DEFINITIONS

SEC. 102 As used in this Act, the term—

(1) "Secretary" means the Secretary of Labor;

(2) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(3) "city" means an incorporated municipality; or other political subdivision of a State, having general governmental powers.

AUTHORIZED APPROPRIATIONS

SEC. 103 (a) For the purposes of carrying out this Act, there are authorized to be appropriated such funds as may be necessary.

(b) Notwithstanding any other provision of law, unless enacted in specific limitation of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated, shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.

ALLOCATION OF FUNDS

SEC. 104 (a) Sums appropriated pursuant to this Act for any fiscal year shall be allocated in the following manner:

(1) Not less than 80 per centum shall be apportioned by the Secretary among the States in an equitable manner, taking into consideration the proportion which the total number of unemployed persons, and of persons heading low-income families and unrelated low-income persons, in each such State bears to such total numbers, respectively, in the United States.

(2) The remainder shall be available as the Secretary deems appropriate to carry out the purposes of this Act.

(b) The amount apportioned to each State under clause (1) of subsection (a) shall be apportioned among areas within each such State in an equitable manner taking into consideration the proportion which the total number of unemployed persons in each such area bears to such total numbers, respectively, in the State. To the maximum extent appropriate, apportioned funds for each such area shall be expended through approved applications submitted by prime sponsors.

(c) The Secretary is authorized to make reallocations for such purposes under this Act as he deems appropriate of the unobligated amount of any apportionment under subsections (a) (1) and (b) to the extent that the Secretary determines that it will not be required for the period for which such apportionment is available. Any funds reallocated under this subsection are not required to be apportioned in accordance with subsection (a) (1) or (b), and no revision in the apportionments of the funds not so reallocated shall be made because of such reallocations.

(d) As soon as practicable after funds are

appropriated to carry out this Act for any fiscal year, the Secretary shall publish in the Federal Register the apportionments required by subsections (a) (1) and (b) of this section.

FINANCIAL ASSISTANCE

SEC. 105. The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this Act in order to make financial assistance available for the purpose of providing employment for unemployed and underemployed persons in jobs providing needed public services.

ELIGIBLE APPLICANTS

SEC. 106. Financial assistance under this Act may be provided by the Secretary only pursuant to applications submitted by eligible applicants who shall be—

(1) public agencies and institutions of the Federal Government;

(2) public agencies and institutions of States and cities; and

(3) Indian tribes and any private nonprofit agencies and institutions approved by the Secretary for the purpose of this Act.

ELIGIBLE PARTICIPANTS

SEC. 107. Eligibility for participation in any program under this Act shall be determined in accordance with the provisions of this Act authorizing such program; and persons who or persons heading families who receive benefits under title IV of the Social Security Act, or food stamps or surplus commodities under the Agricultural Act of 1949 and the Food Stamp Act of 1964, shall be included among individuals eligible to participate in programs assisted under the provisions of this Act.

SEC. 108. (a) Financial assistance under this Act may be provided by the Secretary for any financial year only pursuant to an application which is submitted by an eligible applicant and which is approved by the Secretary in accordance with the provisions of this Act. Any such application shall set forth a public service employment program designed to provide employment and, where appropriate, training and manpower services related to such employment which are otherwise unavailable, for unemployed and underemployed persons in such fields as health care, public safety, education, transportation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, housing and neighborhood improvement, rural development, conservation, beautification, and other fields of human betterment and community improvement.

(b) An application for financial assistance for a public service employment program under this Act shall include provisions setting forth—

(1) assurances that the activities and services for which assistance is sought under this Act will be administered by or under the supervision of the applicant, identifying any agency or agencies designated to carry out such activities or services under such supervision;

(2) a description of the area to be served by such programs, and a plan for effectively serving on an equitable basis the significant segments of the population to be served, including data indicating the number of potential eligible participants and their income and employment status;

(3) a description of the methods to be used to recruit, select, and orient eligible participants, including specific eligibility criteria, and programs to prepare the participants for their job responsibilities;

(4) a description of unmet public services needs and a statement of priorities among such needs;

(5) description of jobs to be filled, a listing of the major kinds of work to be performed and skills to be acquired, and the approximate duration for which participants would be assigned to such jobs;

(6) the wages or salaries to be paid participants and a comparison with the prevailing wages in the area for similar work;

(7) the education, training, and supportive services (including counseling, medical care, and family planning) which complement the work performed;

(8) the planning for and training of supervisory personnel in working with participants;

(9) a description of career opportunities and job advancement potentialities for participants;

(10) appropriate arrangements with community action agencies, and, to the extent appropriate, with other community-based organizations serving the poverty community, for their participation in the conduct of programs for which financial assistance is provided under this title;

(11) an indication of the full participation and maximum cooperation among local public officials, area residents, and representatives of private organizations in the development of the program and a description of their respective roles in the conduct and administration of the program; and

(12) such other assurances, arrangements, and conditions, consistent with the provisions of this Act, as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

APPROVAL OF APPLICATIONS

SEC. 109. An application, or modification or amendment thereof, for financial assistance under this Act may be approved only if the Secretary determines that—

(1) the application meets the requirements set forth in this Act;

(2) an opportunity has been provided to the Governor of the State to submit comments with respect to the application to the Secretary; and

(3) an opportunity has been provided to officials of appropriate cities to submit comments with respect to the application to the Secretary.

SPECIAL CONDITIONS

SEC. 110. (a) The Secretary shall not provide financial assistance for any program under this Act unless he determines, in accordance with such regulations as he shall prescribe, that—

(1) the program will result in an increase in employment opportunities over those which would otherwise be available and will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work or wages or employment benefits), and will not impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(2) persons employed in a public service job under this Act shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employment under the Fair Labor Standards Act of 1938, as amended, if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay in the same labor market area for persons employed in similar public occupations;

(3) all persons employed in a public service job under this Act will be assured of workman's compensation, retirement, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

(4) the provisions of section 2(a)(3) of Public Law 89-286 shall apply to such agreements;

(5) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

(6) every participant shall be advised, prior to entering up employment, of his rights and benefits in connection with such employment; and

(7) special consideration in filing public service jobs will be given to unemployed or underemployed persons who are military veterans of the Vietnam Era, as defined in section 101 of Title 38, United States Code, (and who have received other than dishonorable discharges); and that the applicant shall (a) make a special effort to acquaint such individuals with the program, and (b) coordinate efforts on behalf of such persons with those authorized by chapters 41 and 42 of Title 38, United States Code (relating to Job Counseling and Employment Services for Veterans) or carried out by other public or private organizations or agencies.

(b) Where a labor organization represents employees who are engaged in similar work in the same labor market area to that proposed to be performed under any program for which an application is being developed for submission under this Act, such organization shall be notified and afforded a reasonable period of time in which to make comments to the applicant and to the Secretary.

(c) The Secretary shall prescribe regulations to assure that programs under this Act have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

ADDITIONAL LIMITATIONS AND CONDITIONS

SEC. 111. (a) Any amounts received under chapters 11, 13, 31, 34, and 35 of Title 38, United States Code, by any veteran of any war, as defined by section 101 of Title 38, United States Code, who served on active duty for a period of more than one hundred and eighty days or was discharged or released from active duty for a service-connected disability or any eligible person as defined in section 1701 of such title, if otherwise eligible to participate in programs under this Act, shall not be considered for purposes of determining the needs or qualifications of participants in programs under this Act.

(b) The Secretary shall not provide financial assistance for any program under this Act unless he determines, in accordance with regulations which he shall prescribe, that periodic reports will be submitted to him containing data designed to enable the Secretary and the Congress to measure the effectiveness of all programs. Such data shall include, but be not necessarily limited to, information on—

(1) enrollee characteristics, including age, sex, race, health, education level, and previous wage and employment experience;

(2) duration in previous training and employment situations, if any;

(3) total dollar cost per person, including breakdown between salary or stipend, supportive services, and administrative costs. The Secretary shall compile such information on a State, regional, and national basis.

(c) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect thereto specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any applicant for participation in such program because of race, creed, color, national origin, political affiliation, physical disability, or beliefs.

(d) The Secretary shall not provide financial assistance for any program under this

Act which involves partisan political activities; and neither the program, the funds provided therefor, or personnel employed therein, shall be, in any way or to any extent engaged in the conduct of partisan political activities in contravention of chapter 15 of Title 5, United States Code.

(e) The Secretary shall not provide financial assistance for any program under this Act unless he determines that participants in the program will not be employed on the construction, operation or maintenance of so much of any facilitiy as is used or to be used for sectarian instruction or as a place for religious worship.

ADMINISTRATIVE PROVISIONS

SEC. 112. (a) The Secretary may prescribe such rules, regulations, guidelines and other published interpretations or orders under this Act as he deems necessary. Such rules, guidelines, regulations, and other published interpretations or orders may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968.

(b) The Secretary may make such grants, contracts, or agreements, establish such procedures, and make such payments, in installments and in advance, or by way of reimbursement, or otherwise allocate and expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments. The Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

(c) The Secretary is authorized, in carrying out his functions and responsibilities under this Act, to accept in the name of the Department, and employ and dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

(d) The Secretary is authorized, in carrying out his functions and responsibilities under this Act, to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

(e) The Secretary is authorized to accept and utilize in carrying out the provisions of this Act funds appropriated to carry out other provisions of Federal law if such funds are utilized for the purposes for which they are specifically authorized and appropriated.

(f) In addition to such other authority as he may have, the Secretary is authorized, in carrying out his functions under this Act, to utilize, with their assent, the services and facilities of Federal agencies without reimbursement, and with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement.

(g) The Secretary is authorized, in carrying out his functions under this Act, to expend funds without regard to any other law or regulations for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him only when necessary to fulfill the purposes of this Act and subject to prior written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority and the reasons and justification for the exercise of such authority.

ADVANCE FUNDING

SEC. 113. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the amendment made by subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the current fiscal year and one for the succeeding fiscal year.

TRANSFER OF FUNDS

SEC. 114. Funds appropriated under the authority of this Act may be transferred, with the approval of the Director of the Office of Management and Budget, between departments and agencies of the Federal Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

LABOR STANDARDS

SEC. 115. All laborers and mechanics employed in any construction, alteration, or repair, including painting or decorating of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). All others shall be paid at a rate not less than the then-prevailing Federal minimum wage. The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)).

COOPERATION OF OTHER AGENCIES

SEC. 116. Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such services and facilities as he may request for his assistance in the performance of his functions under this Act.

(b) The Secretary shall carry out his responsibilities under this Act through the utilization, to the extent appropriate, of all possible resources for skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies and other appropriate public and private organizations and facilities, with their consent.

ADVISORY COMMITTEE

SEC. 117 (a) The Secretary shall appoint an Advisory Committee on Public Service Employment which shall consist of at least thirteen but not more than seventeen members and shall be composed of persons representative of labor, management, agriculture, education, economic opportunity programs, as well as representatives of the unemployed. From the members appointed to such Committee, the Secretary shall appoint a Chairman. Members shall be appointed for terms of three years except that (1) in the case of initial members, one-third of the members shall be appointed for terms of one year each and one-third of the members shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only. Such committee shall hold not less than two meetings during each calendar year.

(b) The Advisory Committee shall—

(1) review the administration and operation of all programs under this Act and advise the Secretary of Labor and other appropriate officials as to carrying out their duties under this Act;

(2) conduct independent evaluations of programs carried out under this Act and publish and distribute the results thereof; and

(3) make recommendations (including recommendations for changes in legislation) for the improvement of the administration and operation of such programs as are authorized under this Act.

(c) The Advisory Committee shall make an annual report, and such other reports as it deems necessary and appropriate, on its findings, recommendations, and activities to the Secretary and to the Congress.

(d) The Advisory Committee may accept and employ or dispose of gifts or bequests, either for carrying out specific programs or for its general activities or for such responsibilities as it may be assigned in furtherance of subsection (b) of this section.

(e) Appointed members of the Advisory Committee shall be paid compensation at a rate not to exceed the per diem equivalent of the rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Advisory Committee, including traveltime, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(f) The Advisory Committee is authorized, without regard to the civil service laws, to engage such technical assistance as may be required to carry out its functions; to obtain the services of such full-time professional, technical, and clerical personnel as may be required in the performance of its duties, and to contract for such assistance as may be necessary.

(g) For the purposes of this section, funds may be reserved from the sums appropriated to carry out this Act, as directed by the Director of the Office of Management and Budget.

STATE AND LOCAL ADVISORY COMMITTEES

SEC. 118. For the purpose of formulating and implementing programs under this Act, the Secretary may, where appropriate, assist in the establishment of representative advisory committees on a community, State, and regional basis.

REPORTS

SEC. 119. (a) The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources and use, and his recommendations for the forthcoming fiscal year, and the President shall transmit to the Congress within sixty days after the beginning of each regular session a report pertaining to manpower requirements, resources and use.

(b) The Secretary shall transmit at least annually as part of the report required under this section a detailed report setting forth the activities conducted under this Act.

INTERSTATE AGREEMENTS

SEC. 120. In the event that compliance with provisions of this Act requires cooperation or agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

EFFECTIVE DATE

SEC. 121. The effective date of this Act shall be July 1, 1973. Rules, regulations, guidelines and other published interpretations or orders

may be issued by the Secretary at any time after the date of enactment of this Act.

TITLE II—URBAN EMPLOYMENT AND NATIONAL GROWTH

FINDINGS AND DECLARATIONS

SEC. 201. (a) The Congress hereby finds and declares that—

(1) the harmful economic consequences resulting from the trend of industrial migration from large cities is a matter of critical national concern;

(2) such industrial migration causes a waste of the economic resources in the cities, including serious unemployment in the labor force and an erosion of the tax base of the cities;

(3) to overcome this problem, the Federal government, in cooperation with the States, should help cities and municipalities to take effective steps in planning and financing economic development in line with balanced national growth;

(4) Federal financial assistance, including grants and loans for development of facilities to communities and business in areas needing development should enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies, provided that such assistance is preceded by and consistent with sound, long-range economic planning and growth policy planning; and

(5) under the provisions, employment opportunities should be created by developing and expanding new and existing industrial establishments and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

(b) It is the purpose of this Act to authorize the Federal government to provide a direct program of Federal assistance to municipalities and to private industry to alleviate the wasteful economic disruption and loss resulting from the movement of industrial firms away from the cities.

SEC. 202. The Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new title:

"TITLE VIII—URBAN INDUSTRIAL DEVELOPMENT

"PART A—GRANTS TO CENTRAL CITIES FOR THE ESTABLISHMENT OF URBAN LAND BANKS

"DIRECT AND SUPPLEMENTARY GRANTS

"SEC. 801. (a) Upon the application of any central city, as defined in section 833, with a population of one hundred thousand or more, the Secretary is authorized to make direct grants for the purchase and development of real property within such central city, on condition that such real property be employed at a later date for the purpose of industrial development, if he finds that—

"(1) the project for which financial assistance is sought will directly or indirectly—

"(A) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial plants or facilities.

"(B) otherwise assist in the creation of additional long-term employment opportunities for such area, or

"(C) prevent the loss of existing job opportunities in such area;

"(2) the area for which a project is to be undertaken is suitable in terms of terrain and location for industrial development, and that the costs incurred by the municipality are reasonable in terms of current local property values.

"(b) The amount of any direct grant under this section for any project shall not exceed 25 per centum of the cost of such project.

"(c) Such project may include—

"(1) acquisition of real property and any structures located thereupon;

"(2) demolition and removal of building; and

"(3) other improvements necessary to make the land suitable for industrial development.

"(d) A municipality purchasing land with assistance provided under this section may sell, lease, convey, or otherwise use such land, provided that such use is consistent with the purpose of industrial development.

"(e) The Secretary shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of municipalities that apply for assistance. In prescribing such rules, regulations, and procedures the Secretary shall consider among other relevant factors (1) the severity of the rates of unemployment in the areas eligible for assistance under this title and the duration of such unemployment and (2) the income levels of families and the extent of underemployment in such eligible area.

"(f) Not more than 15 per centum of the appropriations made pursuant to this section in any fiscal year may be expended in any one State in such fiscal year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 802. There is hereby authorized to be appropriated to carry out this part not to exceed $50,000,000 per fiscal year for the fiscal year ending June 30, 1974, and for each fiscal year thereafter through the fiscal year ending June 30, 1978.

"PART B—LOANS TO CENTRAL CITIES FOR THE ESTABLISHMENT OF URBAN LAND BANKS

"URBAN LAND BANK LOANS

"SEC. 810. (a) Upon the application of any central city, as defined in section 833, with a population of one hundred thousand or more, the Secretary is authorized to purchase evidences of indebtedness and make loans to assist in financing the purchase and development of real property within such municipality; on condition that such real property be employed at a later date for the purpose of industrial development, if he finds that—

"(1) the project for which financial assistance is sought will directly, or indirectly—

"(A) tend to improve the opportunities in the area where such project is or will be located, for the successful establishment or expansion of industrial plants or facilities,

"(B) otherwise assist in the creation of additional long-term employment opportunities for such area, or

"(C) prevent the loss of existing job opportunities in such area;

"(2) the financial assistance requested for such project is not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary will permit the accomplishment of the project;

"(3) the amount of financial assistance requested plus the amount of other available funds for such project are adequate to insure the completion thereof;

"(4) there is a reasonable expectation of repayment;

"(5) the area for which a project is to be undertaken is suitable in terms of terrain and location for industrial development, and that the costs incurred by the municipality are reasonable in terms of current local property values.

"(b) The amount of any loan under this section shall not exceed 90 per centum of the cost of such project.

"(c) Such project may include—

"(1) acquisition of real property and any structures located thereupon;

"(2) demolition and removal of buildings;

"(3) other improvements necessary to make the land suitable for industrial development.

"(d) A municipality purchasing land with assistance provided under this section may sell, lease, convey, or otherwise use such land, provided that such use is consistent with the purpose of industrial development.

"(e) Subject to section 832(2) of this title, no loan including renewals or extensions thereof, shall be made under this section for a period exceeding forty years, and no evidence of indebtedness maturing more than forty years from the date of purchase shall be purchased under this section. Such loans shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less not to exceed one-half of 1 per centum per annum.

"(f) The amount of any loan under this section shall not exceed 90 per centum of the cost of such project.

"(g) Not more than 15 per centum of the appropriations made pursuant to this section for any fiscal year may be expended in any one State in such fiscal year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 811. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section: *Provided*, That annual appropriations for the purpose of purchasing evidences of indebtedness, and making and participating in loans shall not exceed $200,000,000 for the fiscal year ending June 30, 1974, and for each fiscal year thereafter through the fiscal year ending June 30, 1978.

"PART C—URBAN INDUSTRIAL DEVELOPMENT LOANS

"BUSINESS LOANS AND LOAN GUARANTEES

"SEC. 820. (a) The Secretary is authorized (1) to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participation in loans) to aid in financing any project within a central city, as defined in section 833 of this title, of one hundred thousand population or more for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, including the construction of new buildings, and rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings; and (2) to guarantee loans for working capital made to private borrowers by private lending institutions in connection with projects in central cities assisted under subsection (a)(1) hereof, upon application of such institution and upon such terms and conditions as the Secretary may prescribe: *Provided, however*, That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) Such financial assistance shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them, except that such limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in any increase in unemployment of the area of original location or in any other area where such entity conducts manufacturing operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the opera-

tions of the existing manufacturing entity in the area of its original location or in any other area where it conducts such operations.

"(2) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the area wherein it is or will be located.

"(3) No evidence of indebtedness shall be purchased and no loans shall be made or guaranteed unless it is determined that there is reasonable assurance of repayment.

"(4) Subject to section 832(2) of this title, no loan, including renewals or extensions thereof, may be made hereunder for a period exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder, except that these restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

"(5) Loans made and evidences of indebtedness at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the nearest one-eighth of 1 per centum, plus additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose.

"(6) Loan assistance shall not exceed 90 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land facilities (including machinery and equipment), demolition and removal of structures, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost.

"(7) Such assistance shall be extended only to applicants which have been approved for such assistance by an agency or instrumentality of the central city thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with the problems of industrial development in such central city.

"(8) To the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinated and inferior to the lien or liens securing other loans made in connection with the same project.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 821. There is hereby authorized to be appropriated to carry out this part not to exceed $250,000,000 per fiscal year for the fiscal year ending June 30, 1974, and for each fiscal year thereafter through the fiscal year ending June 30, 1978.

"PART D—MISCELLANEOUS

"SEC. 830. (a) No land for the acquisition of which a grant, loan, or other financial assistance has been made under this title shall be converted to uses not originally approved by the Secretary without his prior approval. Prior approval will be granted only upon satisfactory compliance with regulations established by the Secretary. Such regulations shall require findings that (1) there is adequate assurance that the substitution of another project of as nearly feasible equivalent usefulness, location, and fair market value at the time of the conversion; (2) the conversion and substitution are needed for orderly growth and development, and (3) the proposed use of the substitution as established by the Secretary under this title.

"(b) If application is made for conversion under subsection (a), the Secretary may modify the terms of the grant or loan agreement as he sees fit, taking into account the degree by which the municipality or manufacturing firm benefited by purchasing the land pursuant to this title, the alternate land use which such municipality or manufacturing firm proposes, and any other relevant factors. Such modification of the agreement may include establishing an earlier repayment date for a loan, or repayment by the municipality of any grant received. The Secretary, after consulting with the municipality may similarly modify the terms of the agreement if the land purchased remains vacant for an unreasonable length of time as determined by the Secretary.

"SEC. 831. The Secretary is authorized to make grants, loans, and other financial assistance to municipalities under this title in any combination he deems necessary except that the total of all financial assistance under this title shall not exceed 100 per centum of the total project cost (excluding all other Federal aid in connection with the undertaking).

"SEC. 832. In performing his duties under this title, the Secretary is authorized—

"(1) under regulations prescribed by him, to assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with loans made or evidences of indebtedness purchased under this title, and collect or compromise all obligations assigned to or held by him in connection with such loans or evidences of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

"(2) to further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this title, beyond the periods stated in such loan or evidence of indebtedness or in this title, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

"(3) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this title;

"(4) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made or evidences of indebtedness purchased under this title. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Secretary, Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract or hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made or evidences of indebtedness purchased under this title if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this title may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(5) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this title;

"(6) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, purchasing, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or evidences of indebtedness purchased under this title;

"(7) employ experts and consultants or organizations therefor as authorized by section 55a of title 5, compensate individuals so employed at rates not in excess of $100 per diem, including traveltime, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 73b–2 of title 5 for persons in the Government service employed intermittently, while so employed, except that contracts for such employment may be renewed annually;

"(8) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this title from the application of sections 507(b) and 2679 of title 28 and section 316 of title 5; and

"(9) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this title.

"SEC. 833. When used in this Act the term 'central city' shall mean that governmental unit within each Standard Metropolitan Statistical Area designated and defined as such by the Office of Management and Budget."

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Indiana (Mr. HARTKE) I ask unanimous consent that the bill today introduced by him (S. 1857) be jointly referred to the Committee on Labor and Public Welfare and the Committee on Banking, Housing and Urban Affairs.

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

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

S. 1859. A bill directing the Secretary of Defense to transfer jurisdiction and control of a portion of the property comprising the Boston Naval Shipyard at Charlestown, Mass., to the Secretary of the Interior. Referred to the Committee on Armed Services.

BOSTON NAVAL SHIPYARD AND THE U.S.S. "CONSTITUTION"

Mr. KENNEDY. Mr. President, since the Secretary of Defense announced the closing of the Boston Naval Shipyard,

there continues to be an enormous concern for the workers and their families who will be affected by the closing. On May 2, I introduced legislation to assist these workers providing readjustment allowances, counseling benefits, relocation allowances, early retirement benefits and health benefits.

There are two additional concerns of the residents of the Commonwealth of Massachusetts in connection with the closing of the Boston Naval Shipyard: First, that the U.S.S. *Constitution* remain in Boston, second, that the historic portions of the Boston Naval Shipyard at Charlestown be preserved. The residents of the Commonwealth are entitled to assurances that *Old Ironsides* will not be moved and that no part of the yard which has historic significance will be lost.

There have been suggestions from other parts of the Nation that *Old Ironsides* might find a home in other States and urging the Secretary of the Navy to take steps to move the ship. The U.S.S. *Constitution,* in history and in fact, has a home, Boston, Mass.

The *Constitution,* better known perhaps as *Old Ironsides* is a commissioned ship of the U.S. Navy to this day though she was built in 1797. *Old Ironsides* was involved in the undeclared naval war with France (1798–1800), the sea battles with the Barbary Pirates (1801–1805), and the War of 1812. The ship was condemned as unseaworthy in 1830, and for a time the future of the *Constitution* was in jeopardy. However, Oliver Wendell Holmes' poem "Old Ironsides" aroused public interest in the ship, the appropriations for rebuilding were authorized, and an immense restoration effort restored the ship to its former beauty and fitness.

I ask unanimous consent to enter in the RECORD at this point a few of the letters I have received from children and adult citizens which demonstrate the deep feeling and attachment for *Old Ironsides.*

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

SECRETARY OF THE COMMONWEALTH,
STATE HOUSE,
Boston, Mass., May 4, 1973.

Hon. EDWARD M. KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The Massachusetts Historical Commission is seriously concerned with reports emanating from Washington and other seaboard states that there is a move afoot to move the USS *Constitution* from Massachusetts with the phasing out of the Boston Naval Shipyard.

As Chairman of the Massachusetts Historical Commission and custodian of National Historic Landmarks and other properties in Massachusetts listed on the National Register, I summoned an emergency meeting of the Commission, the purpose of which is to preclude any transfer of the Flagship of the First Naval District.

We have achieved total support from the ranks of the highest governmental officials, both on State and Federal levels, as well as from historical landmarks preservation organizations in the private sector.

We urgently solicit your support towards maintaining the USS *Constitution* at her Boston berth where she was launched; where she has persevered for the last 176 years; and where her glorious history says she belongs for the ages.

Please advise the Massachusetts Historical Commission as to what you can and will do towards the attainment of our cause.

Sincerely,

JOHN F. X. DAVOREN,
Chairman, Massachusetts Historical Commission.

SPRINGFIELD, MASS.,
April 20, 1973.

Senator EDWARD KENNEDY:

I hope you will fight to keep *"Old Ironsides"* in Boston across from where she was built. The reason I don't want her to be moved is the same as you said, it means a lot to the people of Massachusetts.

Thank you.

DOREEN LYNCH.

WETHERSFIELD, CONN.,
April 19, 1973.

Senator EDWARD KENNEDY,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR KENNEDY: I have just read of the suggestion to move *"Old Ironsides"* from Boston. I agree with you 100% that it should remain as an important part of the Boston skyline, and a "highlight of the 1976" celebration.

I grew up in Hyannis, and made frequent visits to Boston with my father. One of the highlights of our visits was to *"Old Ironsides."* I just cannot imagine it being berthed anywhere else.

Sincerely,

ABERE BODFISH DUNN,
(Mrs. Herbert F. Dunn).

WEST NEWTON, MASS.

Senator EDWARD M. KENNEDY,
John F. Kennedy Federal Building,
Boston, Mass.

DEAR MR. KENNEDY: I am an eighth grade student at Warren Junior High School in Newton, Mass. I am very concerned with the talk I hear about *"Old Ironsides"* being moved to another State. I know that you are trying to do something about keeping *Old Ironsides* in Boston. I hope you will succeed because I feel that is now part of Boston, and Boston would never be the same without it. It would be, for Boston, like removing the Coliseum from Rome.

Very sincerely yours,

FALVIO FABRIZI.

WILMINGTON, DEL.

DEAR SENATOR KENNEDY: Although neither a native nor a resident of Boston or of Massachusetts, I, as a citizen of the United States, am solidly in back of you on the *Old Ironsides* Issue.

I would be glad to write to a person, or persons, whom you might suggest, if you thought it might do good—assuming that many others would be doing the same thing.

Respectfully,

M. O. BADER.

Mr. KENNEDY. Mr. President, I asked the Secretary of the Navy, John Warner, to make it absolutely clear that the U.S. Navy would not move the U.S.S. *Constitution* at any time in the future, and I would like to include in the RECORD at this point a copy of Secretary Warner's response.

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

THE SECRETARY OF THE NAVY,
Washington, D.C., May 3, 1973.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Thank you for your telegram of 18 April expressing concern for the future of USS *Constitution.*

As you know, *Constitution* is currently in drydock at Boston Naval Shipyard undergoing an extensive overhaul. Although the shipyard will be closed during 1974, her overhaul will be completed at Boston and thereafter she will be maintained in her home port of Boston, as required by Public Law 83–523.

Thank you for your interest in *Constitution* and the preservation of this priceless reminder of our national heritage.

Sincerely yours,

JOHN W. WARNER,

Mr. KENNEDY. Mr. President, the significance of the Secretary's message is clear for the citizens of the Commonwealth of Massachusetts—not only will the overhaul of *"Old Ironsides"* be completed at Boston, but "thereafter she will be maintained in her home port of Boston, as required by Public Law 83–523." As a result of this communication from the Secretary, it is my hope that there will be no further speculation about moving the ship.

Mr. President, there is also a great deal of concern that the historically significant portions of the Boston Naval Yard at Charlestown may not be properly maintained and preserved in view of the closing of the yard. I have introduced legislation which will establish the Boston National Historical Park and Congressman THOMAS P. O'NEILL has introduced companion legislation in the House of Representatives. The Charlestown yard is included in this legislation. It is considered an integral part of the establishment of a national park to preserve the monumental historic sites in Boston, Mass.

I would like in insert in the RECORD at this point study material compiled by the city of Boston, the Boston Economic Development and Industrial Commission, and the Boston Redevelopment Authority regarding the historic significance of the Charlestown yard.

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

A. GENERAL DESCRIPTION OF THE BOSTON SHIPYARD

Location and size

Situated at the foot of Breeds Hill and the Bunker Hill Monument, the Boston Naval Shipyard at Charlestown is a relatively flat piece of land created on mudflats between the Charles River and Mystic River estuaries. Its northwestern, landward edge is defined by the Mystic Bridge and ramp system separating the shipyard from the Charlestown residential community. By Navy records, the present area of the shipyard is approximately 130 acres, including 83.9 acres of "hard land" and 46.07 acres of piers and water area to the U.S. bulkhead line.

Historical significance

The Charlestown Navy Yard is of historical significance for its connection with the Revolutionary War, and the establishment of the U.S. Navy, its role in the building and maintenance of many important ships of the fleet, and for the first in Navy facilities and operations which occurred here.

The origins of the shipyard date to the spring of 1797, several months before the establishment of the U.S. Navy Department, when a resolve from the Naval Committee of the House of Representatives recommended that an appropriation be made for the establishment of a government dock-yard. Three years later, in the spring of 1800, Secretary of the Navy Benjamin Stoddard proposed the purchase of land at Boston for such a

purpose. Later that year, 43 acres of land and mudflats were purchased at Charlestown for a sum of $39,214. Included in the site of the new shipyard was the land known as "Moulton's Point," where the British troops had landed and formed for the assault in the famous 1775 Battle of Bunker Hill.

Among the ships constructed at the Naval Yard in subsequent years were the "Independence," considered to be "the finest and heaviest frigate-built vessel of her time," and the first torpedo boat the "Intrepid." One of the most famous ships constructed at the yard was the "Merrimac," converted into an ironclad by Confederate forces during the Civil War and known for its encounter with the Union Ironclad "Monitor" at Hampton Roads. For all but 40 years since 1803, when her hull was covered with copper made by Paul Revere, the famous frigate "Constitution" has made the Naval Yard her home.

The Charlestown Naval Shipyard has also been the site of several unique facilities. The first "shiphouse" for building ships indoors was constructed here in 1813 and proved so successful that it was copied in other shipyards in this country and abroad. Drydock #1, constructed in 1833, is one of the oldest drydocks in the country and was first occupied by the Constitution. The 1,360 foot long ropewalk produced all of the Navy's rope for over a century.

Architectural Significance

The structures in the shipyard illustrate a variety of building types and several phases in the architectural stylistic development of the 19th and 20th centuries. They exhibit as well the increasing size and capacity of industrial structures permitted by changes in technology.

Notable structures in the shipyard include:

1) The Commandants House (1809)—a very fine three story brick mansion exhibiting Federal style features.

2) Drydock 1 (1827–33)—authorized by President Andrew Jackson, this is one of the two oldest drydocks in the country, both of which were completed in the same year. The Constitution was the first ship to enter the drydock and will be the last to do so under Naval auspices.

3) Wood-Metal Shop (#22) (1832)—This handsome granite multi-story structure may have been designed by Alexander Parris, Architect of the Quincy Market Complex in Boston.

4) Rope Walk (#58) (1834–36)—A unique granite structure 1,360 feet in length, the Rope Walk produced all of the Navy's rope for almost 135 years.

5) Buildings 24, 33, 34, 36, 38 (1837–1954)—multi-story granite structures of considerable architectural merit.

B. REUSE AND DEVELOPMENT CONCEPTS

National Historic Park and Naval Museum

Because of its long and considerable role in the building of Naval ships, its architectural heritage, and the assets of its waterfront location, the Boston Naval Shipyard at Charlestown is important to both the City of Boston and the Nation.

The city proposes that as part of a development plan for the re-use of the shipyard, a portion of the site be reserved as an historic park of National importance. Such a "park" would feature a major Naval Museum, a visitors center interrelating regional historic sites, open space and recreation facilities and appropriate services.

1) Naval Museum.—The primary focus of the Charlestown Naval Shipyard historic park should be a Museum of Naval Architecture and History. Such a museum would surpass in scope any of the existing Naval and Maritime Museums in this country and be modelled in part after the National Maritime Museum, Greenwich, England. Exhibits should explore at least the following topics:

a) Naval architecture and technology—demonstrating scientific principles such as hydrodynamics and locomotion, and the development of ships reflecting an understanding of these concepts and the special requirements of ships of war.

b) The art of ship building—methods of ship construction including materials, equipment, time and skills required.

c) Exploration and navigation.

d) Related technology—development of secondary naval equipment, such as rope, anchors and anchor chains.

The history of the U.S. Navy should be explored but not in such a way as to duplicate facilities at the Naval Academy at Annapolis, Maryland. Emphasis should be placed on the changing duties and living conditions of ordinary men aboard ships rather than on heroes or on particular events of history.

A small special exhibit should be included which tells the history of the Boston Naval Shipyard at Charlestown and the boats which were built here. To demonstrate both the technology changes in naval architecture and the experience of the U.S. Navy, full sized vessels should wherever possible be restored and moored at piers 1 to 4 of the shipyard. A major feature of the museum would, of course, be the U.S.S. Constitution.

Vistitors Orientation Center

The Naval Shipyard is itself a Revolutionary War Site. It is now and will continue to be the major attraction on the Freedom Trail. Furthermore, it has a considerable amount of space which is potentially available for purposes of historical commemoration. It, therefore, seems an appropriate location for a visitor's center whose function would be to provide an introduction to the historic sites of the Region. The purpose of such a center would be to show the relationship and sequence of events preceding, during and after the period of armed conflict in the Boston region. Emphasis should be on the general and interpretative rather than the specific. For this reason, films and topographic maps and models might constitute the bulk of the exhibit material.

Mr. KENNEDY. Mr. President, I expect action in the Congress during this session on the Boston Historical Park bill, but there still is apprehension that before the park is established work will not have begun to preserve and protect those portions of the yard which cannot be used for industrial, maritime, or commercial purposes and which are historically significant. The legislation I introduce today will allow the Secretary of Defense to transfer to the Secretary of the Interior those portions of the yard which the Commonwealth, the city of Boston, and the Departments of Defense and Interior agree should comprise the national historic site. The city of Boston has suggested a naval museum be included in the site and this legislation provides that the Secretary of Interior may begin immediately a study to establish such a facility.

I have asked the Secretary of the Navy and the Secretary of the Interior to forward to me their suggestions for facilitating this transfer, and I will be happy to incorporate their ideas into the legislation.

The distinguished chairman of the Senate Interior Subcommittee on Parks and Recreation has agreed to hold public hearings on my legislation to establish the Boston National Historical Park in Boston on July 17. During those hearings, we will have the opportunity to focus on the immediate need to assure the preservation of the Charlestown yard as well as consider the other historic sites in Boston of major significance.

Mr. President, the Governor of Massachusetts, the mayor of Boston, and the entire Massachusetts delegation here in the Congress is working together not only to assist those workers who will lose their jobs as a result of the closing of the Boston Naval Shipyard, but also in a major effort to convert the facility from defense to civilian uses. This will require an investment of over $200,000 from the city of Boston and $400,000 in Federal assistance. The city of Boston has already completed the enormous task of outlining the resources, the potential, and the suggested development needed to convert the Boston Navy Yard into a vigorous and important part of the economy of Boston and Massachusetts.

While we work together in this effort, it is my hope that the Congress will act quickly on the legislation I introduce today to preserve for future generations a site of tremendous historic and maritime significance.

Mr. BROOKE. Mr. President, this measure must properly be considered contingency legislation in the event that the concerted effort of the Massachusetts congressional delegation to reverse the decision to phase-out the Boston Naval Shipyard does not succeed.

While it is necessary to advance this vehicle for the future use of the Boston Naval Shipyard in the event our appeal is denied, I shall continue to do all within my power to prevail upon the Department of Defense to consider the meritorious strategic and economic arguments in favor of the continued operation of this facility.

The city of Boston and the Commonwealth of Massachusetts have promptly and responsibly explored alternative uses of the Shipyard complex should the facility be phased-out. The city and Commonwealth are in agreement as to a contingency plan. This plan is contained in a report to the Secretary of Defense submitted by the city of Boston, the Boston Economic Development and Industrial Commission and the Boston Redevelopment Authority.

We are prepared to convert if necessary. I believe we have the capacity to plan and execute a conversion program that provides the maximum economic and human benefits possible. While we continue our efforts to reverse the decision to phase-out the Boston Naval Shipyard, we must look ahead to the various alternatives we face. This legislation provides a response to the alternative we now seek to avoid.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 275

At the request of Mr. HARTKE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 275, a bill to amend title 38, United States Code, increasing income limitations relating to payment of disability and death pension, and dependency and indemnity compensation.

VETERANS' PENSIONS

Mr. BAYH. Mr. President, I am honored to add my name as a cosponsor of S. 275, a bill to increase the limitation on allowable outside income for those collecting non-service-connected pension and disability payments, or dependency and indemnity compensation.

This bill is necessary so that veterans can enjoy the full benefits of the 20-percent increase in social security payments provided for last year in Public Law 92-336. Under the law, as a veteran or survivor's outside income increases, his or her pension is accordingly decreased. Since social security is included as part of outside income under the non-service-connected pension program, 1.2 million veterans and survivors now receive reduced veterans' pension checks, and another 20,000 have dropped from the rolls altogether.

Thus, veterans are caught in a bind between two social programs designed to assist them maintain a reasonable income level; in a year of inflation when no payments are truly adequate to those living on fixed incomes the retired veteran finds his overall payments constant despite action by Congress designed to increase his standard of living.

Mr. President, S. 275 would increase the annual income limitations for eligible veterans and their survivors receiving pensions and would provide increases in the rates of pension averaging about 8 percent. It would also provide an increase in the annual income limitation of old law pensioners by $400. Finally, it would increase the annual income limitation by $400 for those parents receiving dependency and indemnity compensation—DIC—and increase the rates of DIC for an average program benefit increase of 8 percent.

These provisions are identical to those of S. 4006 which unanimously passed the Senate on October 11 of the last Congress; because the House had decided to delay action until after passage of H.R. 1, Congress did not have sufficient time to take final action on S. 4006 during the last days of the 92d Congress. However, I am hopeful that Congress will act during this Congress to assist the 1.2 million veterans who need additional assistance rather than reduced payments.

For those who argue that the estimated annual cost of $197.9 million is excessive, I want to point out that a veteran with no dependents receives pension assistance only if his annual income is less than $3,000; a veteran with one to three dependents does not receive a pension check under this bill if his income is greater than $3,800. Thus, the program is designed to help the truly needy, not to provide luxury checks to those who already are taken care of by other Federal programs.

Mr. President, veterans have provided service to our country at considerable danger to their own lives. In return, the administration has moved to decrease pension payments for those living below the poverty level, and has arbitrarily and unilaterally changed the disability rating schedule to lessen payments for disabled veterans. I have cosponsored S. 1076, the Veterans' Administration Accountability Act, and intend to push for passage of S. 275, I have also supported: First, the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 providing substantial increases in educational and vocational training benefits; second, the Veterans Health Care Expansion Act of 1973; and third, the Veterans Drug and Alcohol Treatment and Rehabilitation Act of 1973.

I believe that the contributions of our veterans deserve ample recognition and financial assistance when necessary.

S. 838

At the request of Mr. TOWER, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 838, to amend title 10, United States Code, to permit the recomputation of retired pay of certain members and former members of the Armed Forces.

S. 1005

At the request of Mr. CASE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1005, to amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes.

S. 1105

At the request of Mr. PERCY, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 1105, the anti-environmental barriers bill.

S. 1148

At the request of Mr. CRANSTON, the Senator from Minnesota (Mr. MONDALE), the Senator from Rhode Island (Mr. PELL), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1148, a bill to provide for operation of all domestic volunteer service programs by the Action Agency, to establish certain new such programs, and for other purposes.

S. 1408

At the request of Mr. HARTKE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1408, a bill to provide social security coverage for Federal employees.

S. 1415

At the request of Mr. BUCKLEY, the Senator from Michigan (Mr. HART) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 1415, to assist in the financing of small business concerns which are disadvantaged because of certain social or economic considerations not generally applicable to other business enterprises.

S. 1422

At the request of Mr. HUMPHREY, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1422, a bill to establish a National Institute of Justice, in order to provide a national and coordinated effort for reform of the system of justice in the United States, and for other purposes.

S. 1436

At the request of Mr. HARTKE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1436, a bill to eliminate the social security payroll tax for persons over 65 years of age.

S. 1497

At the request of Mr. TUNNEY, the Senator from South Dakota (Mr. McGOVERN), was added as a cosponsor of S. 1497, a bill to amend the Omnibus Safe Streets Act and to provide for an improved Federal effort to combat crime.

S. 1698

At the request of Mr. HUMPHREY, the Senator from Wyoming, (Mr. McGEE) was added as a cosponsor of S. 1698, a bill to amend the Rural Development Act of 1972 and for other purposes.

S. 1722

At the request of Mr. HARTKE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1722, a bill to provide tutorial assistance for homebound handicapped students.

S. 1807

At the request of Mr. TUNNEY, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 1807, authorizing the Secretary of the Interior to execute a program of salinity control for the Colorado River.

SENATE JOINT RESOLUTION 17

At the request of Mr. TOWER, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of Senate Joint Resolution 17, to authorize and request the President of the United States to issue a proclamation designating October 14, 1973, as "German Day."

ORDER FOR STAR PRINT OF S. 1835

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Indiana (Mr. HARTKE), I ask unanimous consent, because of certain clerical and technical errors in S. 1835, a bill to amend title 38 of the United States Code, that a star print be made of the bill to correct those errors.

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

SENATE RESOLUTION 117—SUBMISSION OF A RESOLUTION COMMEMORATING THE LOSS AND SUFFERING OF THE DEAD AND WOUNDED MEMBERS OF THE ARMED FORCES OCCASIONED BY THE WAR IN VIETNAM

(Considered and agreed to.)

Mr. MANSFIELD (for himself and Mr. SCOTT of Pennsylvania) submitted a resolution (S. Res. 117) commemorating the loss and suffering of the dead and wounded members of the Armed Forces occasioned by the war in Vietnam.

(The text of the resolution and remarks pertaining thereto are printed at an earlier point in the RECORD.)

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 87

At the request of Mr. BARTLETT, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of Senate Resolution 87, requesting the President to begin a national carpooling program.

SENATE RESOLUTION 113

At the request of Mr. STEVENSON, the Senator from Michigan (Mr. HART) was added as a cosponsor of Senate Resolution 113, to establish a temporary select committee to study the Senate committee system.

EMERGENCY PETROLEUM ALLOCATION ACT OF 1973—AMENDMENT

AMENDMENT NO. 140

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

Mr. MOSS. Mr. President, I send to the desk an amendment to the bill (S. 1570) to authorize the President of the United States to allocate energy and fuels, which I intend to call up later. I ask unanimous consent that it be printed and lie on the table, and that the text of the amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 140

Strike out the short title at the beginning of the bill and the title to section 101 and insert in lieu thereof the following:

"TITLE I—EMERGENCY ALLOCATION OF PETROLEUM

"SHORT TITLE, FINDING, AND PURPOSE

"SEC. 101. (a) This title may be cited as the "Emergency Petroleum Allocation Act of 1973'."

Renumber subsections (a) and (b) of section 101 as subsections (b) and (c).

Strike out the term "this Act" wherever it appears and insert in lieu thereof "this title".

At the end of the bill add a new title as follows:

"TITLE II—FAIR MARKETING OF PETROLEUM PRODUCTS

"SHORT TITLE, FINDINGS, AND POLICY

"SEC. 201. (a) This title may be cited as the 'Fair Marketing of Petroleum Products Act'.

"(b) Congress finds and declares that—

"(1) Current practices have harmed marketing competition in the gasoline and petroleum products industry.

"(2) Independent businessmen willing to risk their personal savings and assets and to work long and hard hours to build and maintain a business by paying personal attention and providing service to the consumer are being unfairly punished by arbitrary control of refined petroleum products by suppliers.

"(3) Winter shortages of fuel oils have had a deleterious effect on the availability of fuel supplies to heat American homes and dry grain crops.

"(4) Projected shortages of gasoline and propane will damage the consumer during the summer months by higher prices, shortages of supply, and the possibility of rationing in some areas.

"(5) Independent jobbers and retailers of petroleum products have been cut off from sources of supply of such products and pressured out of the marketplace to the great disadvantage of the consumer.

"(6) Independent jobbers and retailers of petroleum products who have made substantial personal investments in their businesses and who employ or have employed large numbers of citizens find themselves earning subsistence wages or unemployed.

"(7) Apparently unnatural economic forces prevail in the marketing of petroleum products.

"(8) Excessive and distorted market power which is enjoyed by major integrated oil companies is harming the consumer.

"(c) Competition, equal access to supplies for all retailers, and nondiscriminatory practices are essential to the fair and efficient functioning of a free market economy. Gasoline and other petroleum products should be produced, distributed, and marketed in the manner most beneficial to the consumer. Therefore, it is declared to be the policy of the Congress to assist consumers and retailers to reach these goals.

"DEFINITIONS

"SEC. 202. As used in this title—

"(1) 'Commerce' means commerce among the several States or with foreign nations or in any State or between any State and foreign nation.

"(2) 'Commission' means the Federal Trade Commission.

"(3) 'Franchise' means any agreement of contract between a petroleum producer or a petroleum distributor and a petroleum retailer or between a petroleum producer and a petroleum distributor under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such producer or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by such producer or distributor, for the purpose of engaging in the sale at retail or distribution of petroleum products of such producer or distributor.

"(4) 'Includes' should be read as if the phrase 'but is not limited to' were also set forth.

"(5) 'Person' means an individual or a corporation.

"(6) 'Petroleum distributor' means any person engaged in commerce in the sale, consignment, or distribution of petroleum products to retail outlets which it owns, leases, or in any way controls.

"(7) 'Petroleum producer' means any person engaged in the production, importation, or refining of petroleum and in the sale of petroleum or petroleum products in commerce for resale.

"(8) 'Petroleum products' includes any substance refined from petroleum.

"(9) 'Petroleum retailer' means any person engaged in commerce in the sale at retail of any petroleum product in any State, either under a franchise or independent of any franchise or who was so engaged at any time during the period commencing three years prior to the date of enactment of this Act.

"(10) 'Retail' means the sale of a product for purposes other than resale.

"(11) 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, and any organized territory or possession of the United States.

"PROTECTION OF NON-FRANCHISED DEALERS

"SEC. 203. (a) APPLICABILITY.—A petroleum retailer or a petroleum distributor who is doing business independent of a franchise may maintain a suit for unlawful conduct as defined in subsection (b) of this section. A petroleum retailer may maintain such suit against a petroleum distributor whose actions affect commerce and whose products he purchases or has purchased, directly or indirectly. A petroleum distributor may maintain such suit against a petroleum producer whose actions affect commerce and whose products he distributes or has distributed to petroleum retailers.

"(b) UNLAWFULNESS.—(1) It shall be unlawful for a petroleum producer or a petroleum distributor to fail to furnish gasoline or any other petroleum product to any petroleum retailer or petroleum distributor at wholesale prices, in reasonable quantities, and on nondiscriminatory terms so long as such producer or distributor continues to furnish gasoline or any other petroleum product to petroleum retailers who are under a franchise to such person.

"(2) It shall be unlawful for any person who is engaged directly or indirectly, in both refining and the marketing of petroleum products to pay or give or contract to pay or give anything of value or subsidy to any person, including but not limited to, price subsidies or protection, or reduction or credit on lease rentals, if the effect of such payment or contract to pay or give anything of value or subsidy is to reduce the effective selling price of any petroleum product below the post price therefor.

"(c) PRIMA FACIE EVIDENCE.—It is prima facie evidence of a violation of subsection (b) of this section that a petroleum producer or a petroleum distributor—

"(1) delivers, during any calendar month, to petroleum retailers or petroleum distributors who are independent of any franchise a lower percentage of the total number of gallons of gasoline or other petroleum products delivered by him to all petroleum retailers and petroleum distributors than the percentage so delivered during the period July 1, 1971, through June 30, 1972; of

"(d) REMEDY.—The court may grant an award for actual damages resulting from the unlawful conduct together with such equitable relief as is necessary, including declaratory judgment and mandatory or prohibitive injunctive relief. The court is authorized to grant interim equitable relief, and punitive damages where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including a reasonable attorney's fee, be paid by the defendant.

"(e) PROCEDURE.—A suit under this section may be brought in the district court of the United States for any district in which the petroleum distributor or the petroleum producer against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy. No suit shall be maintained under this section unless commenced within three years after the alleged unlawful conduct took place.

"PROTECTION OF FRANCHISED DEALERS

"SEC. 204. (a) APPLICABILITY.—(1) A petroleum retailer or a petroleum distributor who is doing business under a franchise may maintain a suit in accordance with this section if such franchise is canceled, not renewed, or otherwise terminated, or if he receives notification of intention to cancel, to refuse to renew, or to otherwise terminate such franchise. A petroleum retailer may maintain such suit against a petroleum distributor whose actions affect commerce and whose products he sells or has sold under such franchise and against a petroleum producer whose actions affect commerce and whose products he sells or has sold. A petroleum distributor may maintain such suit against a petroleum producer whose actions affect commerce and whose products he distributes or has distributed to petroleum retailers.

"(2) No action may be brought under this section if the terms of such franchise provide for binding arbitration, in accordance with the rules of the American Arbitration Association, of any dispute arising under such franchise, including any dispute relating to cancellation, failure to renew, or termination.

"(b) DEFENSES.—It shall be a defense to any suit under this section that the franchise was or will be canceled, not renewed, or otherwise terminated because—

"(1) the petroleum retailer or the petroleum distributor maintaining such suit failed to comply substantially with essential and reasonable requirements of such franchise;

"(2) such retailer or distributor failed to act in good faith in carrying out the terms of such franchise; or

"(3) no petroleum products are or were available, except that this defense is not available to a petroleum distributor who is also a petroleum producer unless such producer is unable to meet the demands of such distributor because of apportionment priorities established by law; or

"(4) such producer or distributor withdraws entirely from the sale of petroleum products in commerce for sale at retail in the United States.

No defense under this subsection may be raised by any petroleum distributor or petroleum producer unless he furnished notification pursuant to this subsection to the petroleum retailer or the petroleum distributor maintaining such suit. Such notification shall be in writing and shall be accomplished by certified mail to such retailer or distributor; shall be furnished not less than ninety days prior to the date on which such franchise was or will be canceled, not renewed, or otherwise terminated; and shall contain a statement of intention to cancel, not to renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy available to such retailer or distributor under this Act together with a summary of the provisions of this section.

"(c) REMEDY.—The court may grant an award for actual damages resulting from the cancellation, failure to renew, or termination of such franchise together with such equitable relief as is necessary, including declaratory judgments and mandatory or prohibitive injunctive relief. The court is authorized to grant interim equitable relief and punitive damages where indicated in suits under this section, and may, unless such suit is frivolous, direct that costs, including a reasonable attorney's fee, be paid by the defendant.

"(d) PROCEDURE.—A suit under this section may be brought in the district court of the United States for any district in which the petroleum distributor or the petroleum producer against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy. No suit shall be maintained under this section unless commenced within three years after the cancellation, failure to renew, or termination of such franchise or the notification thereof.

"CONFORMING AMENDMENT

"SEC. 205. Sections 1 and 3 of the Robinson-Patman Price Discrimination Act (15 U.S.C. 13, 13a) are hereby amended by striking out 'engaged in commerce' wherever such term is used and inserting in lieu thereof 'engaged in commerce or affecting commerce'.

"REPORT

"SEC. 206. The Commission shall cause to be conducted a study of economic forces, market power, and practices in the marketing of gasoline and other petroleum products to the American consumer, including the effects of petroleum producers directly or indirectly operating as petroleum distributors and petroleum retailers, the relationship between economic power and credit card systems, and shall report thereon, including recommendations for legislation, to the President and the Congress simultaneously not later than two years after the date of enactment of this Act."

AMENDMENT NO. 143

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

Mr. BARTLETT submitted an amendment, intended to be proposed by him, to Senate bill 1570, supra.

BUDGET CONTROL ACT OF 1973—AMENDMENT

AMENDMENT NO. 141

(Ordered to be printed, and referred to the Committee on Government Operations.)

Mr. BENTSEN. Mr. President, the Congress is faced with one of the most serious, complex, and challenging problems in many years—the reassertion of the role of Congress in the process of establishing our national priorities. One of the most important facets of this problem is the procedure by which the Congress collects and spends the public moneys. The power of the purse is the fundamental power of the Congress. Unless we are able to discharge our revenue and spending responsibility in an effective and efficient manner and in a manner which instills confidence in the American public, we will not be able to maintain present, much less restore past, congressional control over our national priorities.

I was very pleased to see that the Joint Study Committee on Budget Control has produced a generally sound and reasonable set of recommendations for reform of the congressional budget process. I am pleased to join as a cosponsor of S. 1641 which the distinguished senior Senator from Arkansas has introduced in behalf of the Joint Study Committee. I think this bill, when considered along with the other measures before the Government Operations Committee, can serve as an excellent vehicle for reform.

One of the most important reform proposals of this bill lies in the creation of a Budget Committee in each Chamber to oversee the entire spending process and to recommend to the Congress expenditure ceilings and ceilings on new obligational authority. I support the establishment of these committees. However, such wide-ranging authority, I believe, must be shared by the Congress as a whole. All members must have ample opportunity to participate in the process. And the committees themselves must be representative of the various views within the Congress if the new system is to be effective and if it is to be an instrument of true reform.

Therefore, I am submitting an amendment to S. 1641 to provide that the membership of the Budget Committees be selected by the party conferences and that the majority and minority leadership be included.

My amendment would provide the following:

First. Add the Speaker and the minority leader to the membership of the proposed 21-member House Budget Committee.

Second. Add the majority and minority leaders to the membership of the proposed 15-member Senate Budget Committee.

Third. Retain the one-third spending, one-third taxing, and one-third legislative committee composition of both the Senate and House Budget Committees but provide that those members are to be named by the respective party conferences under such rules as the conferences may choose to adopt.

In that the new Budget Committees will make recommendations to the Congress as to percentage of the budget which should be set aside for existing programs and what percentage should be reserved for new initiatives, it is important that the majority and minority leadership be represented on the committees. The inclusion of the elected leadership will broaden the representation of the committees as well as insure that the leadership has direct input concerning the overall legislative program.

Considering the importance of these Budget Committees I think it is essential that the remaining members be selected by the party conferences. The party conferences may wish to provide special rules for the selection to insure the broadest geographical and ideological representation. However, I think these rules should be left to the conference in order that members may have broad latitude in deciding how their party's spokesmen on these committees will be selected.

My amendment would retain the representation of the spending and revenue-raising committees which the Joint Study Committee recommended. It is these committees which must carry out the Congress will once the respective Chambers have acted upon the resolutions establishing ceilings on spending and, if necessary, requiring a revenue increase. I believe this representation of the spending and revenue-raising committees will bring back, at least in part, the unified consideration of these actions which existed prior to the splintering of the taxation and appropriation process in the mid-1800's. The functions were divided at that time because of the burden on one committee of giving extensive consideration to complicated revenue and spending bills. However, the creation of budget committees to give general consideration to the impact of one upon the other should provide both the spending and revenue-raising committees a clearer understanding of the problems faced by the other.

Mr. President, the question of congressional budget reform is not a liberal or conservative issue nor is it a Democratic or Republican issue. We all have a stake in a more rational and effective budgetary process. I believe the adoption of my amendment will provide the broad participation which we need.

STRUCTURE AND REGULATION OF THE FINANCIAL INSTITUTIONS—AMENDMENTS

AMENDMENT NO. 142

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

Mr. HARTKE. Mr. President, I submit an amendement to S. 1798 and ask unanimous consent that the text of that amendment be printed in the RECORD at this point.

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

AMENDMENT NO. 142

On page 16, line 16, insert the following new sections:

SEC. 6. (a) For the purpose of this section—

(1) "Board" means the Board of Governors of the Federal Reserve System;

(2) "individual" means a natural person;

(3) "individual savings deposit" means (a) any deposit or account in a savings institution which consists of funds deposited to the credit of one or more individuals or in which the entire beneficial interest is held by one or more individuals, and upon which earnings are payable, or (b) shares in a savings institution which are issued for the savings of its members and upon which earnings are payable, or (c) any evidence of indebtedness issued by a savings institution to one or more individuals or in which the entire beneficial interest is held by one or more individuals, and upon which earnings are payable. Such term includes regular, notice, and time deposits, and share accounts, and any other such deposits and accounts, whether or not evidenced by an instrument;

(4) "earnings' means any amount accruing to or for the account of any individual as compensation for the use of funds constituting an individuals savings deposit. Such term includes dividends and interest on any individual savings deposit;

(5) "payable", when used with respect to a certain date or period of time, means the date on which or the period of time after which an absolute right to earnings exists, regardless of whether the earnings are actually paid;

(6) "savings institution" means any person, firm, corporation, association, or organization which in the regular course of business receives and holds or issues individual savings deposits and pays earnings thereon;

(7) any reference to this Act, to any requirement imposed under this Act, or to any provision thereof includes reference to the regulations of the Board under this Act or the provision thereof in question.

(b) Nothing in this Act applies to any transaction involving—

(1) a deposit of funds if the principal purpose of that deposit is to secure or guarantee the performance of a contract or the conditions of a contract for the sale or use of goods, services, or property;

(2) interest payable on premiums, accumulated dividends, or amounts left on deposit under an insurance contract;

(3) any obligation issued by any Federal, State, or local government, or any agency, instrumentality, or authority thereof, except that the Board shall prescribe rules and regulations to require disclosures by any agency, instrumentality, or authority of the Federal Government.

(c) Periodic percentage rate is the rate applied each period to the principal amount for that period to determine the amount of earnings for that period and may be referred to as the periodic percentage rate. If the period is less than one day, for purposes of disclosure, the period shall be construed to be either one day or the actual time interval after which earnings are payable, whichever is less, and the rate to be disclosed in lieu of the true periodic percentage rate shall be the factor used to determine the amount of earnings for a one-day period.

(d) Annual percentage rate is the periodic percentage rate multiplied by the number of periods in a calendar year of three hundred and sixty-five days for all years including leap year, and may be referred to as the annual percentage rate.

(e) Annual percentage yield is the amount of earnings which accrue in one year to a principal amount of $100 as the result of the successive applications of the periodic percentage rate at the end of each period to the sum of the principal amount plus any earnings theretofore credited and not withdrawn during that year, and may be referred to as the annual percentage yield.

(f) The Board shall prescribe regulations to carry out the purposes of this Act. These regulations shall provide for clear, concise, and uniform disclosures of information required by this Act, and may contain such classifications, adjustments, and exceptions as the Board determines are necessary or proper to effectuate the purposes of this Act. All disclosures required by this Act shall be made only in terms as defined or used in this Act, as defined or used in the Truth in Lending Act or in regulations prescribed under that Act, or as such terms are further defined by the regulations of the Board. The Board may authorize the use of tables or charts for the disclosure of information required by this Act.

(g) The Board may prescribe such other rules and regulations as it determines to be necessary or appropriate to carry out the purposes of this Act.

(h) Each savings institution shall make available in writing to any individual upon request, and at the time he initially places funds in an individual savings deposit in such savings institution, the following information with respect to individual savings deposits:

(1) The annual percentage rate;

(2) the minimum length of time a deposit must remain on deposit so that earnings are payable at that percentage rate;

(3) the annual percentage yield;

(4) the periodic percentage rate and the method used to determine the balance to which this rate will be applied;

(5) the number of times each year earnings are compounded;

(6) the dates on which earnings are payable;

(7) any charges initially or periodically made against any deposits;

(8) any terms or conditions which increase or reduce the rate of earnings payable as disclosed under items (1) or (3); and

(9) any restrictions and the amount or method of determining the amount of penalties or charges imposed on the use of funds in any deposit.

(i) Each savings institution shall disclose annually and at the time any earnings report is made to an individual in person, or by mailing to his last known address, with respect to his individual savings deposit—

(1) the amount of earnings paid;

(2) the annual percentage rate;

(3) the periodic percentage rate;

(4) the principal balance to which the periodic percentage rate was applied, and the method by which that balance was determined;

(5) any charges made against the account during the period covered for purposes of computing the payment of earnings and making the report; and

(6) any other terms or conditions which increased or reduced the earnings payable under conditions as disclosed under item (1) or (3) of subsection (a).

(j) The Board may, by regulation, authorize or publish tables of periodic factors which reflect compounding, and such other information as it determines to be necessary or appropriate in order to facilitate the individual's ability to verify the computation of earnings payable on any individual savings deposit.

(k) Not less than ten days before a savings institution adopts any change with respect to any item of information required to be disclosed under this section, that institution shall notify each individual depositor of each such change, unless such change is directed by regulatory authority.

(l) Every advertisement relating to the earnings payable on an individual savings deposit shall state in print of equal prominence the annual percentage rate and the annual percentage yield. If that rate is payable only on a deposit which meets certain minimum time or amount requirements, those requirements shall be clearly and conspicuously stated.

(m) No such advertisement, announcement, or solicitation shall—

(1) include any indication of any percentage rate or percentage yield based on a period in excess of one year or on the effect of any grace period; or

(2) make use of the term "profit" in referring to earnings payable on such deposits.

(n) Compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any insured credit union.

(o) For the purpose of the exercise by any agency referred to in subsection (n) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of the law specifically referred to in subsection (n), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(p) Except to the extent that enforcement of the requirements imposed under this Act is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this Act shall be deemed a violation of a requirement imposed under that Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person with the requirements imposed under this Act, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act.

(q) The authority of the Board to issue regulations under this Act does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this Act.

(r) Except as otherwise provided in this section, any savings institution which fails in connection with any transaction subject to this Act to disclose to any individual any information required under this Act to be disclosed to that individual is liable to that individual for the damage sustained which—

(1) shall not be less than $100 nor greater than $1,000; and

(2) In the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court.

(s) An institution has no liability under

this section if within fifteen days after discovering an error, or upon receipt of written notice of an error and prior to the bringing of an action under this section the institution notifies the individual concerned of the error and makes whatever adjustments are appropriate and necessary.

(t) An institution may not be held liable in any action brought under this section for a violation of this Act if the institution shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(u) Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

(v) Whoever willfully and knowingly (1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this section, or (2) otherwise fails to comply with any requirement imposed under this section shall be fined not more than $5,000.

(w) In the exercise of its functions under this section, the Board may obtain upon request the views of any other Federal or State agency which, in the judgment of the Board, exercises regulatory or supervisory functions with respect to any class of savings institutions subject to this section.

(x) This section does not annul, alter, or affect, or exempt any savings institution from complying with, the laws of any State relating to the disclosure of information in connection with individual savings deposits, except to the extent that those laws are inconsistent with the provisions of this section or regulations promulgated under this section, and then only to the extent of the inconsistency.

(y) This section, does not otherwise annul, alter, or affect in any manner the meaning, scope, or applicability of the laws of any State, including, but not limited to, laws relating to the types, amounts or rates of earnings, or any element or elements of earnings, permissible under such laws in connection with individual savings deposits, nor does this section extend the applicability of those laws to any class of persons or transactions to which they would not otherwise apply.

(z) Except as specified in subsection (v), this section and the regulations promulgated under this section do not affect the validity or enforceability of any contract or obligation under State or Federal law.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD (for Mr. EASTLAND). Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Harold O. Bullis, of North Dakota, to be U.S. attorney for the district of North Dakota for the term of 4 years, reappointment.

Brian P. Gettings, of Virginia, to be U.S. attorney, eastern district of Virginia, for the term of 4 years, reappointment.

At Senator EASTLAND's request and on behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, May 28, 1973, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON S. 1386

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that the Committee on Interior and Insular Affairs has scheduled open public hearings for Tuesday, June 5, 1973, on S. 1386, a bill to authorize saline water appropriations. The hearing will be held in the committee room 3110, Dirksen Office Building, beginning at 10:30 a.m.

Persons wishing to testify or submit statements for the hearing record on this legislation should so advise the staff of the Interior Committee.

ADDITIONAL STATEMENTS

THE WATERGATE

Mr. SCOTT of Pennsylvania. Mr. President, an editorial in the Thursday Washington Post says most eloquently what many of us have been talking about for several weeks: that it is time to get on with the Watergate investigation. Moreover, the Post says, the Senate and the public have "to start trusting someone." I heartily concur with both statements.

I commend this excellent editorial to the Senate and ask unanimous consent that it be printed in the RECORD.

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

TWO INVESTIGATIONS; TWO DIFFERENT GOALS

It is unfortunate, it seems to us, that the Ervin committee hearings into the Watergate affair are getting under way before a special prosecutor has been chosen to take charge of the criminal aspects of the situation. The interplay between the public Senate hearings, the actions of the grand jury, and the ultimate criminal prosecutions is a delicate matter, fraught with dangers on every side. There is, for example, the problem of trading immunity from prosecution for testimony—a decision in which the special prosecutor's judgment would be important. In his absence, the Senate committee must be doubly careful not to foreclose his options with the grand jury or in the courts before he even takes office.

We share the concern of attorney Ronald Goldfarb, expressed elsewhere on this page today, that Sen. Ervin's zeal for "getting the whole sordid story" of Watergate entails a risk of "prejudicing the judicial and prosecutive process." And we agree with Mr. Goldfarb that this would be "wrong and sad."

Problems of this type always occur when two investigations into the same facts run concurrently. But usually the prosecutors have a better idea of where they are headed than the congressional committees do. In this instance, the key figure in the prosecution has yet to be chosen. The two investigations, of course, have quite different goals. The Ervin committee is out to educate the public and to determine if new legislation is needed. The grand jury is out to see that justice is administered to those who broke existing laws. The goals, while not incompatible, do conflict in some crucial respects. Because neither clearly outweighs the other in value to the country, the advice of the special prosecutor would be helpful in keeping the balance true.

But the fact is that the public hearings do start today. Thus, the need for getting on with the criminal aspects of the matter become even more pressing. That, along with the testimony of Mr. Richardson in recent days, leads us to believe that the Senate ought to go ahead and confirm his nomination as Attorney General as soon as possible. The sooner the new team is in the Department of Justice, the better.

There is still an argument to be made, of course, that the Senate should hold up confirmation in hopes of forcing the creation of a special prosecutor's role that would be totally free of Mr. Richardson's influence. We would have preferred that the prosecutor have that kind of independence. But several factors suggest that the time for that argument is over and the time to get things moving—on Mr. Richardson's terms—is here. One of these is the mere passage of time since the President chose not to go for a totally independent prosecutor and during which Congress has done nothing about it but talk. Another is the obvious respect for Mr. Richardson that exists on Capitol Hill and elsewhere. Still another is the way in which Mr. Richardson has explained the role he expects to have in the investigation and prosecution.

As we understand it, Mr. Richardson has said he will give the special prosecutor free rein unless he believes the prosecution is running amuck. There are, we suppose, two objections to this. One is that Mr. Richardson will be able to hobble the investigation if he should decide to. The other is the appearance to the public of Nixon administration influence on the special prosecutor. The first of these objections seem to us insupportable. Whoever he may be, the special prosecutor will be a person of extraordinary clout in Washington. If he is strong—and none of those whose names have been tossed about is weak—the special prosecutor will have the political power, if not the legal power, to run things the way he thinks they should be run. A reluctance anywhere in government to let him have the people or the documents or whatever he wants could be overcome, we suspect, by a brief conversation between him and Senator Ervin or between him and the press corps. Any sign from him that a further coverup is under way would blow the place apart. And, if he hit a stone wall somewhere in his work, his resignation would tumble more than just a wall. In other words, the special prosecutor does not have to be fully independent in technical terms to be a tiger, as long as he has strength and integrity. He can report to the Attorney General, as Mr. Richardson has said he must, but his political claws will be sharper, if he needs them, than Mr. Richardson's ever can be.

The other objection is more difficult. Senator Hart put it well on Monday when he said that "the real problem is if the facts don't involve the President, who will believe Elliot Richardson when he says they don't." That, too, can be overcome if Mr. Richardson picks a good man, gives him what he wants, stays out of the way, and lets him take the honor and the glory. The other half of Senator Hart's statement was that he was confident "that if the facts led to involvement of the President, Elliot Richardson, whether he had a special prosecutor or not, would name the President." However it might have been done differently and better, and as difficult as it may be in these days when it is hard to know whom to trust, we have not reached the point when the Senate and the public have to start trusting someone to clean up this mess pretty soon. We have very little choice but to start by trusting Mr. Richardson.

EXECUTIVE PRIVILEGE— DEVIOUS DOCTRINE

Mr. HARTKE. Mr. President, one of the dangerous doctrines being touted by the current administration is that of Executive privilege. In sum, this doctrine says that the people are not entitled to certain information because it is somehow "privileged" and thus not open to public scrutiny.

In effect, this doctrine has been used by the executive branch to hide embarrassing and damaging information from the Congress and from the public at large. There is no basis for it in law, and little basis for it in history. It is a doctrine of convenience which we should limit before it gets out of hand.

Mr. President, I ask unanimous consent that an article on this subject written by Clark R. Mollenhoff which appeared recently in the New York Times be printed in the RECORD.

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

EXECUTIVE PRIVILEGE—DEVIOUS DOCTRINE

(By Clark R. Mollenhoff)

WASHINGTON.—The Fitzgerald case demonstrates the extreme evil that executive privilege can be in hiding relevant facts from the public in an Air Force conspiracy to destroy a truthful witness.

An Air Force cost analyst, A. Ernest Fitzgerald was discharged after he displeased his superior by testifying on the billion-dollar cost overruns on the C–5A program. Editorial pages were nearly unanimous in castigating the abolition of Fitzgerald's $30,-000-a-year job, and declared the economy reasons given were but a subterfuge for malicious retaliation.

The Air Force denied it, and imposed a secrecy on its records, proceedings and conversations with the White House. The "privilege" buried evidence of a devious smear of Fitzgerald as well as other evidence that the Air Force plotted to harass and intimidate a truthful witness.

Disregarding Air Force efforts to impose executive privilege, White House memoranda were made available to iFtzgerald to establish key aspects of his case. Without those internal memoranda of advice, Fitzgerald's case would have been incomplete and the Air Force would have successfully hidden its deceptions.

Recent history shows that this devious doctrine has rarely been used for anything but a cover-up for scandalous military bungling, foreign aid corruption, conflicts of interest and influence peddling. Examples include the Dixon-Yates "conflict of interest," the Adams-Goldfine affair, frauds in Laos foreign aid, the Billy Sol Estes cotton allotment frauds, the TFX warplane mismanagement and "conflicts of interest," and the White House investigation of the Watergate scandal.

Arrogant executive branch officials have even used it to bar General Accounting Office auditors from financial records in violation of the Budgeting and Accounting Act of 1921 that specifically requires that "all records" be made available to the office upon request.

Various Attorneys General, politically appointed, have ruled that executive privilege gave the executive branch the right to impose this arbitrary secrecy. It was the king's lawyer stating the king was right in asserting this total power to withhold evidence from Congress and the General Accounting Office.

It has been conceded that no law of Congress has granted this so-called executive privilege and no Supreme Court decision has been cited for this assertion that the President has a constitutional right to bar testimony from any high-level or low-level official of any executive agency when he believes it to be in the national interest. Further, we are told that the executive privilege claims cover any internal working paper in the executive branch and that any advisory opinion can be withheld from Congress, the General Accounting Office or the public without explanation except that the President believes it to be in the national interest.

The only authority cited for this seed of totalitarianism is a claim of some all-encompassing "inherent right" under "the separation of powers" doctrine of the Constitution.

Senator Sam Ervin, a recognized authority on the Constitution, has declared that "executive privilege is executive poppycock." He has castigated President Nixon's effort to bar all present and former White House aides from appearing on the Watergate investigation as an attempt to rob Congress of a rightful power to investigate to determine if the laws passed by Congress are being properly administered and enforced.

Raoul Berger, a senior fellow at Harvard Law School who has done extensive research on the history of the so-called precedents, has declared that executive privilege is a myth and not the "time-honored doctrine" that William P. Rogers claimed it to be when he became its leading proponent as Attorney General in the Eisenhower Administration.

Seldom has it been used as anything but a blatant cover-up for corruption, mismanagement and political double-dealing. The doctrine is devoid of decency because it creates the illusion that officials may use the great power of the White House in secret and never be held accountable for their acts.

The Watergate scandal is simply the latest manifestation of the corrupting influence of the ill-founded illusion of total power to corrupt the political processes and get by with it. The Watergate scandal and the Fitzgerald case provide sufficient examples for the public and the Congress to comprehend the mischief that can be created behind a facade of pious slogans about "a sacred separation of powers."

Where secrecy is needed to cover sensitive negotiations or raw F.B.I. files, an articulate President need only appeal to the common sense and decency of the electorate on the specific issue involved, and not engage in public relations gimmickry to give further support to a doctrone that could destroy all of our freedoms.

PRODUCTIVITY AND WORLD COMPETITION

Mr. PERCY. Mr. President, I would like to call attention to an excellent editorial which appeared in the Washington Post on April 30, 1973, titled "Productivity and World Competition." The editors of the Post are to be commended for recognizing the key importance of productivity growth to the United States competitive position in the world market. Although our productivity growth rate is currently well over the average of the past 20 years, we are still far behind our five leading trading partners.

The Federal Government has acted in response to the need to improve U.S. productivity and the quality of American work: The arm of the Government in this area has been the National Commission on Productivity. On May 10, the Senate voted to renew the mandate of the Commission for 1973, directing it:

To promote increased productivity and to improve the morale and quality of work of the American worker, for the purpose of providing goods and services at low cost to American consumers, improving the competitive position of the United States in the international economy, and facilitating a more satisfying work experience for American workers.

Government urging alone, however, cannot change productivity in the private sector. We need to make the public aware of the critical importance of increased productivity to our national economic well-being, and of the benefits such growth would provide all of our citizens. The Washington Post has contributed to public knowledge of this subject, and I ask unanimous consent that the aforementioned editorial be printed in the RECORD.

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

PRODUCTIVITY AND WORLD COMPETITION

Productivity, the amount that the average worker produces in one hour, indicates our economic strength better than any other single statistic. Because of our very high productivity, we live better than other nations while working shorter hours. Increased productivity is the magic that makes possible higher earnings as well as longer weekends as well as broader social benefits of every sort. It is reassuring to learn that national productivity rose at an annual rate of 47 per cent in the first three months of this year. The rate of improvement is maintaining the level of late 1972, and greatly exceeds the 20-year average of 3 per cent.

But the current period is, of course, one in which the economists would expect productivity to be rising unusually rapidly. The big jumps come when production is soaring, typically in the recoveries from recessions. Since most of the industrial nations are now going through similar recoveries, they are also improving their productivity. In recent years, they have generally been doing it a good deal more effectively than American industry. They are closing the gap that once set our industry apart from any other nation's, and they are doing it at a speed that does much to explain our current troubles with international trade deficits, currency devaluations and rising world prices.

From 1965 to 1972, productivity rose by the following percentages in this country and five of its leading trading partners:

	Percent
United States	20.0
Great Britain	36.6
Italy	41.5
West Germany	42.0
France	53.3
Japan	130.3

These figures are taken from the International Economic Report that Mr. Peter Flanigan presented to the President a month ago. The report also observes that, from 1965 to 1970, our export prices rose a great deal faster than those of the other five countries. The disparity in productivity is part of the answer. On the other hand, the report found that from 1970 to 1972, our export prices rose far more slowly than those of the other five. That was the result of the 1971 devaluation and a relatively low rate of inflation. Unfortunately, within the past several months our inflation rate has more than doubled and now approaches the very high European rate, casting new doubt over the prospects for trade development in 1973.

As long as our productivity continues to rise, our economic wealth and its accompanying benefits will continue to expand. But, to be candid, there is not much reason to expect any early change in the differences between our performance and that of the

other major industrial nations. We are getting richer. But our friends and competitors are getting rich faster, and the productivity figures explain why.

AMA ATTEMPTS TO CAPTURE PROFESSIONAL STANDARDS REVIEW

Mr. BENNETT. Mr. President, as the principal sponsor of the Professional Standards Review Organization statute, I am profoundly disturbed over intensified efforts by the AMA and the bureaucracies of some State medical organizations to pressure HEW into ignoring unequivocal legislative intent that, except in smaller and sparsely-populated States, PSRO's are to be established at local and not State levels.

That effort is set to culminate this Wednesday in a "March on Washington" by the officialdom of 36 State medical societies. Organized by the AMA, these "marchers" will descend upon congressional and HEW offices in an attempt to secure approval of a policy in direct disregard of the whole thrust of the PSRO statute. It is nothing more than a naked power play designed to politicize what the Congress sought to professionalize.

Under the law already passed, Professional Standards Review Organizations are to be established for the purpose of reviewing the quality and appropriateness of care and services provided under medicare and medicaid. Practicing physicians in local areas of proper size, who meet statutory requirements as to organization, capability and objectivity will be given the opportunity to offer to contract with the Secretary of Health, Education, and Welfare to undertake that review. The amendment contains many provisions designed to assure appropriate public accountability in this delegation of responsibility to the medical profession.

The key element in the amendment, however, is to lodge responsibility precisely where it belongs and precisely where it can be exercised in effective fashion—at local levels. That responsibility is vested in local organizations of practicing physicians and may not be diminished, diluted or delegated away to the bureaucratic and political levels of medicine, no matter how much they denigrate the organizational capacity of practicing physicians at local levels.

What the AMA and the bureaucracy of organized medicine seeks in this Wednesday's confrontation is to require that the Secretary of Health, Education, and Welfare ignore the clear intent of the law, and not contract on a direct and primary basis with each PSRO in a State but rather that he contract with local PSRO's only through an umbrella Statewide organization which would be run or controlled, of course, by State medical organizations. This proposal to establish a new and illegal insulating layer of medical bureaucracy is not only completely unacceptable to me, it is also absolutely in complete contradiction of the PSRO statute and legislative history. That legislative history, to the effect that PSRO's are to be established at local levels—except in smaller or more sparsely populated States—is so clear that I marvel at the obtuseness and ostrichlike nature of those who argue to the contrary.

It might be helpful in understanding this "power play" and attempt at takeover to review some of the legislative history of the professional standards review amendment.

Here is what the Finance Committee report on H.R. 1 said about PSRO's:

> Priority in designation as a PSRO would be given to organizations established at local levels representing substantial numbers of practicing physicians who are willing and believed capable of progressively assuming responsibility for overall continuing review of institutional and outpatient care and services. Local sponsorship and operation should help engender confidence in the familiarity of the review group with norms of medical practice in the area as well as in their knowledge of available health care resources and facilities. Furthermore, to the extent that review is employed today, it is usually at the local level."

In the opening statement of the Senate debate on H.R. 1, the Chairman of the Committee, Senator Long, had this to say about my amendment:

> "The Committee bill would establish professional standards review organizations, sponsored by organizations representing substantial numbers of practicing physicians in local areas, to assume responsibility for comprehensive and ongoing review of services covered under the Medicare and Medicaid programs. The purpose of the amendment would be to assure proper utilization of care and services provided in Medicare and Medicaid utilizing a formal professional mechanism representing the broadest possible cross section of practicing physicians in an area.

The report of the Conference on H.R. 1 described the Amendment in these terms:

> The Senate amendment added a new section to the House bill which provides for the establishment of Professional Standards Review organizations consisting of substantial numbers of practicing physicians (usually 300 or more) in local areas to assume responsibility for comprehensive and on-going review of services covered under the Medicare and Medicaid programs.

Now, given that legislative history, as well as a series of speeches emphasizing the local nature of the PSRO program, which I made prior to enactment, I cannot see how anyone can contend that the PSRO's should be regulated by a statewide mechanism.

In a speech last month to the American Academy of Family Physicians, I discussed the reasons why PSRO's were to be local in nature and operation and the supportive role that might be played by State organizations.

Mr. President, I ask unanimous consent that excerpts from that speech appear at the conclusion of my remarks.

I might add that, during the course of my years of work on the PSRO amendment and subsequently, I have spoken with literally hundreds of physicians who strongly urged that PSRO control be lodged at local and not State levels.

Mr. President, I have discussed the legislative intent concerning the focus of PSRO responsibility and accountability with officials of HEW—including the Secretary. They have assured me that they understand and intend to comply with the legislative intent as expressed in the reports and statements previously cited.

Mr. President, the Wednesday "March on Washington" in the main represents an effort to promote the welfare of the medical bureaucracy as opposed to the medical profession as a whole and the individual practitioner as a person—to say nothing of the public interest.

Given this situation, it seems high time to pull some teeth and to show some teeth.

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

EXCERPTS FROM STATEMENT OF SENATOR WALLACE F. BENNETT, BEFORE THE AMERICAN ACADEMY OF FAMILY PHYSICIANS

I cannot emphasize too strongly the fact that under the new law, PSRO's are to be organized in local medical service areas of proper size. This means we expect that most PSRO's will involve some 800 to 1,000 physicians each. In perhaps a dozen or so of the small or sparsely populated States the PSRO for obvious reasons, will be Statewide, but these few States will constitute the only exceptions with the rest of the States subdivided into local PSRO areas.

Now, the reason I am emphasizing the local nature of PSRO activity is because there are some people in some parts of organized medicine who are still pressing hard to have all PSRO's throughout the country organized on a Statewide basis. I, for one, have considerably more faith in PSRO's structure from the bottom up, rather than from the top down. But, even more importantly, the legislative history makes it absolutely clear that PSRO's are to be established in local areas and that the Secretary of HEW has the obligation to give first priority to local PSRO's.

There are a number of reasons for focusing on PSRO's at local levels. First and foremost is the fact that all physicians practicing in an area must have the opportunity to actively relate to and participate in the activities of the PSRO. Statewide operation, particularly in a large State, would create a sense of remoteness for the local practitioner, rather than a sense of direct identification and involvement.

The existence of local organizations will also facilitate the ability of every practitioner to actively involve himself as a reviewer; the Bennett Amendment, as you know, requires that a PSRO provide for the broadest possible involvement of practitioners in an area as reviewers on a rotating basis.

I am sure that you can all see the educational value to the practitioner through regular service as a reviewer. Review service provides him with an opportunity to work with and be exposed to the norms and parameters of care applicable in his area, as well as with an opportunity to evaluate the methods and practices of his peers. Practitioners in a local area are obviously most familiar with the range of health care resources available in their own areas. They know what skilled nursing facility beds, home health services or other health care alternatives are available or not available. Local review enhances the exercise of realistic professional discretion, rather than enforcing guidance by remote control from on high.

Additionally, in a large state, we can get PSRO's off the ground, area-by-area, in orderly fashion rather than being confronted with an all-or-nothing situation in the entire state. There is also a practical and political corollary to the last point, relating to a possible PSRO failure. If, for example, we had a statewide PSRO in California and that should go sour five years from now, the Government would be confronted with an enormous task in terms of developing an acceptable replacement. On the other hand, if, as intended, there are some twenty PSRO's in California, and one or two go bad, the

task of replacement is one of reasonable and manageable proportions.

Now that I have "iterated" and reiterated the local nature of PSRO's, I might point out the legitimate role available to organized medicine at State levels. First, as I have noted in previous speeches, there is a great deal to be done in developing and assembling the norms and parameters of care which will be applied by PSRO's in their screening and certification process. Here is an area where state organizations can be quite helpful to local PSRO's. For example, I understand that the Pennsylvania Medical Society convened 21 specialty and sub-specialty groups within the state to develop parameters for 100 hospital diagnoses. Assuming the validity of those parameters, the material developed could be adapted and applied by all of the PSRO's throughout the state. State organizations could also serve to develop rosters of specialty and sub-specialty practitioners so that local PSRO's could know where to turn for expertise available outside of their area for the review of the practice profiles of practioners in those specialities and sub-specialties. State organizations could also be of invaluable assistance in providing expertise to a faltering PSRO to help it achieve acceptable levels of performance. Additionally, it probably would be beneficial in many states to set up central data banks for PSRO use, with each local PSRO having a computer link to the central computer.

This would facilitate the development of practitioner and patient profiles and also enhance objective comparison of PSRO's within a state. What I have just described is not a total listing by any means. Other types of state-centered service will undoubtedly appear when the programs get underway.

AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. BUCKLEY. Mr. President, an editorial in the New York Times May 14, 1973, titled "Jacking Up Farm Prices" and one in the Birmingham, Ala., Post-Herald May 19, 1973, titled "New Props for Farmers" point out defects in the Agriculture and Consumer Protection Act of 1973 recently approved by the Senate Agriculture Committee. I would like to bring those editorials to the attention of the Senate and to address myself to what I feel to be some of the defects in this bill.

The Agriculture and Consumer Protection Act of 1973 proposes, among other things, a scheme which would create what the Times calls "a subsidy mechanism that would lock up the prices of foodstuffs close to their present peaks."

As the Post-Herald points out:

> Seeking new legislation to prop farm prices at an artificially high level at a time when the President is trying to bring Federal spending under control is most unwise.

The bill also seeks to perpetuate the present excessive $55,000 limit on payments per crop per farm per year that demonstrably means little to the small farmer but provides windfalls for the larger operators. It would also continue a system of acreage allotments that has long since outlived its usefulness, assuming it was ever justified in the first instance.

Mr. President, we need to liberate the farmer from Government interference with production and liberate the consumer from governmental interference with the marketplace.

I think it is a special irony that the bill bears the word "consumer" in its title. The Times accurately labels the bill "a guaranteed lien on the housewife's pocketbook." The rising food costs that have so damaged family budgets all across the Nation would only be aggravated by the target price concept that is at the heart of the bill. Target prices would be established for wheat, feed grains, and cotton at levels high above their market price of recent years. Housewives would, in effect, be forced to pay high prices for bread and cereal and meat simply because an economically unsound target price concept would "lock up" the price of foodstuffs at artificially high levels, with no hope for relief for the average family as farmers respond to current price levels by increasing production.

Finally, Mr. President, I am concerned with the potential effects of this bill on not only the farmer and the consumer, but on the Nation as a whole. Because of the initiative and resourcefulness of the American farmer, the principal American products that can compete in foreign markets today are agricultural products. Yet this bill proposes to hold the price of food at levels that could lose for the farmer the world markets he has only recently obtained.

The farmer needs freedom to utilize his talents, and this is the time to begin to give him that freedom by moving away from subsidy programs and acreage policies which have bound him in the past. I am convinced that it is in the public interest and particularly in the interest of the consumer, already reeling from high prices, to take a long, hard look at the bill in question. What the Nation needs now is a farm program that frees rather than further restricts the initiative and energy of the American farmer. As of the moment, the bill does not do this.

Mr. President, I ask unanimous consent to print copies of the New York Times and Birmingham Post-Herald editorials in the RECORD.

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

JACKING UP FARM PRICES

If the farm bill approved last week by the Senate Agriculture Committee wins the support of Congress, American housewives can say good-by to any hopes they may have of ever seeing food prices return to levels that—as recently as a year ago—they thought of as high but bearable.

For, at a time when food prices have soared to record heights, the Senate Agriculture Committee has moved to create a subsidy mechanism that would lock up the prices of foodstuffs close to their record peaks.

Under a new concept of "target prices," the bill would require the Secretary of Agriculture to establish the amount of acreage for producing wheat, feed grains and cotton that would if necessary be "set aside"—held out of production—in order to hit "target prices" set far above the average prices of recent years. Wheat would be set at $2.28 a bushel, cotton at 43 cents a pound and corn at $1.53 a bushel. If the "target" prices specified by the Senate committee bill had been in effect last year, they would have cost taxpayers an estimated $2.6 billion. But the Agriculture Committee chairman, Senator Talmadge of Georgia, blithely says, "Hopefully, if prices stay high, it will cost nothing."

Actually, the bill constitutes an outrageous, guaranteed lien on the housewife's pocketbook. An even worse aspect is that, if farm supply should again catch up with booming domestic and world demand, the Government would either have to pay out enormous subsidies or else remove vast amounts of land from production in order to cut supplies of farm goods and thereby hold prices up to "target levels." Since this would mean higher United States farm prices than world market prices, "target-pricing" would necessitate major increases in export subsidies—unless the United States were to find itself priced altogether out of the world market.

The benefits of target-pricing would—like existing farm programs—go primarily to the biggest farm producers, who own the land and produce the crops that get the subsidies, not to the low-income farmers who really need help. The concept of agricultural price targets should be replaced by one of farm *income* targets that would benefit the poor, not the rich.

Indeed, the Senate Agriculture Committee has turned a deaf ear to Administration proposals that it reduce the present $55,000 limit on payments per farm for each crop—a figure that can be multiplied several times over by big farm operators who can plant different crops and split farms into several units.

The Senate committee also ignored earlier proposals of Agriculture Secretary Butz that specific crops be removed from acreage allotments, thus freeing farmers to make plantings on controlled acreage of whatever crops would give them the best returns in response to market demand. The present system amounts to a set of legalized monopolies, with the Government as its director.

Few city people realize, for instance, that not anybody can grow peanuts; a farmer has to have a "license" from the Government—an acreage allotment—to grow and sell peanuts. For years that acreage for peanuts has been frozen at about 1.5 million tons—but production has roughly doubled. Peanut subsidies in 1972 cost the taxpayer about $105.5 million a year. The program has also jacked up the prices American consumers had to pay for peanuts by about 40 per cent above the world market price. If the present program continues, losses to the Government (the taxpayer) will total $537 million from 1973 through 1977.

Not absolutely but relatively, this is peanuts. Total budgeted costs of farm price and income subsidies—including milk, sugar, rice, tobacco, cotton, wool, wheat, feed grains and so on—exceeded $5 billion last year. To this sum must be added costs totaling at least another $5 billion, in terms of higher prices paid by consumers.

In the midst of inflation, steeply rising farm prices and income, and strongly growing domestic and world food demands, the entire United States farm program desperately needs a complete overhaul, ending costly price supports and subsidies, and modifying existing acreage allotments and "set-asides." The over-all farm problem is no longer one of surplus and deflation but scarcity and inflation. Residual poverty among small farmers will not be ended by present subsidies and acreage restrictions, but requires a different approach aimed directly at increasing the small farmer's income.

NEW PROPS FOR FARMERS

If the new price support bill approved by the Senate Agriculture Committee ever becomes law, President Nixon can forget about his hope of phasing out federal farm subsidies.

The committee, headed by Sen. Herman E. Talmadge, D-Ga., would establish a government-subsidized price floor of $2.28 a bushel for wheat, $1.53 a bushel for corn, 43 cents a pound for cotton—prices even higher than the current market rates.

"This is not a device to phase out subsidies," the Agriculture Dept.'s chief economist properly points out. "It's a device to increase them."

Seeking new legislation to prop farm prices at an artificially high level at a time when the President is trying to bring federal spending under control is most unwise.

The Talmadge bill also would continue the practice of paying farmers up to $55,000 per crop per year for keeping land out of production. The limit should be trimmed to $20,000, as some congressmen have suggested or the subsidy should be phased out entirely, saving the taxpayers more than $3 billion a year.

In addition, the bill would increase federal price supports for milk (why?) and give more power to the big dairy cooperatives, which, by no coincidence, contribute heavily to political campaigns.

With farm income surging and food prices knocking holes in the family budget, it's hard to see why farmers should be treated like economic cripples.

A policy that encourages the government to keep food prices high—or else pay an outrageous farm subsidy—is contrary to the best interests of consumers and taxpayers alike.

That's why Congress should go along with the President's plan to phase out the farm subsidy system—and stop devising new props and crutches to take its place.

CARL E. BAGGE URGES A WORLD CONGRESS OF COAL—SENATOR RANDOLPH COMMENDS PURPOSE SOUGHT

Mr. RANDOLPH. Mr. President, many words have been written and spoken in recent months, regarding the threat of serious energy shortages that the United States and, indeed, the world, now face. Meanwhile our country remains embarked on a national energy policy which is keyed to increased petroleum imports from the Middle East. However, this policy places us on a direct course toward cutthroat competition with other consuming countries over what are limited international supplies.

This, I fear, is an additional, adverse consequence of our failure to provide this country with a definitive National Energy Policy. Already, we are experiencing the early signs of strained relations with some of our allies over this issue. And, this is an added cost we cannot well afford.

While the consuming nations must concern themselves with the national aspirations of the oil producing countries, so also must the United States and other nations with abundant coal resources recognize the need for a coherent international strategy for the development of their domestic energy resources as an alternative to oil imports. Over the long term, many of the present consuming nations, who possess abundant coal resources, may well move from the status of net importers of energy supplies to the status of net exporters of such fuel forms as synthetic petroleum products and solvent refined coal.

It has been suggested that the consuming countries develop a cartel to improve their bargaining position with the producers cartel—OPEC—the Organization of Petroleum Exporting Countries. However, only today, Carl E. Bagge, president of the National Coal Association, proposed a consortium of the coal-producing nations, bound by a common commitment to make coal a truly major and diversified worldwide energy source. The combined efforts of the coal producing nations offers an opportunity to provide another international energy supply that can serve as a balancing force that could render much of the world's current dependence on petroleum redundant.

There is general agreement that the current growing international reliance of the oil consuming nations on the OPEC countries for their alternative energy supplies is a time-bomb in international relations. However, this tension might be relieved through the worldwide development of coal as an alternative energy supply. This opportunity also offers developing nations the promise of essential long-term energy supplies to meet their future needs.

As an initial step in this direction—toward a rejuvenation of the world's coal supplies—Carl Bagge has proposed a World Congress of Coal. Such a Congress could serve to transform the current, regionally fragmented, international coal communities. In his words, a continuing body of specialists would be provided—

Representing all coal-producing and coal-consuming nations that at the peak of its usefulness would underwrite specific coal research and development projects that would bring common benefits and advances not only to all the coal industries of the world but to all mankind.

Mr. President, Mr. Bagge's remarks before the 10th biennial meeting of the Council of the Association for Coal in Europe, today, at Tregenna Castle, St. Ives, Cornwall, England, are very penetrating, realistic and farsighted. And, I request unanimous consent that they be placed in the RECORD.

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

COAL—THE ENERGY KEY TO WORLD STABILITY

It is a unique privilege for me to address this distinguished meeting of the Council of the Association for Coal in Europe—the nations which have contributed with such constancy to the development of Earth's most abundant and useful fuel. The United States, which has been a beneficiary of your history in many ways, has benefited not least from your progressive tradition of coal extraction and utilization.

The coal industry in the United States is also now firmly committed to that tradition. As the inheritor of the world's largest coal resources, the coal industry in the United States is determined to develop that natural bounty to the utmost to serve not only our own national need but the human need for energy.

Energy is an essential raw material of world progress on which all mankind ultimately depends for our individual, national and world peace and stability. It is no longer politically practical for any nation to seek only its own sufficiency of energy. International competition for shrinking global supplies of fuels is already producing severe pressures on domestic economies, foreign relations, and the world monetary system. Our decent hope for universal human advancement cannot be served by the manipulation of accidental concentrations of fuels, creating a seller's market out of consumer distress.

In the already lengthening shadow of an international energy crisis, all coal-producing nations must today assume broader responsibilities to maintain an adequate and fully distributed supply of world energy. For coal is the only fuel that offers an energy economy of plenty for mankind for the foreseeable future. Coal is the one fuel that nature has laid down in sufficient quantity to compensate for her understandable ignorance of economic geography. Those of us who have deposits of coal are today obliged to make the best use of them, not only for our own national energy purposes but to relieve the existing intolerable strain on the dwindling world supply of other fossil fuels.

The industrial world has in the past shortsightedly shifted its primary energy base from strength to weakness—from the security of coal to the vagaries of oil and natural gas supply. We have all been lured into consuming the most limited portion of our world fuel substance at an alarming rate because—up to now—it has been more easily won than coal and more easily suits our convenience in transport and use, not to mention recently refined environmental sensibilities which are shared by all the industrially advanced nations of the world.

The United States offers a notable though hardly singlular example of this digression from its historical mainstream of energy. For decades, the American energy consumer lived well according to his fuel preferences, under the illusion that he was enjoying a surplus of domestic oil and gas. In truth, he was eroding accessible reserves to the point where today the domestic industries must search deeper and in more physically and economically demanding places, onshore and off, to find the remainders of the nation's fluid fuel reserves. The immense capital expenditure required for such an exploration and development venture has undoubtedly lent at least the color of plausibility to the alternative of purchasing oil and gas in the international marketplace.

For the long run, however, and even in the mid-term, that alternative is an illusion on a grand scale. The world supply of oil and gas simply will not support the demands of the presently industrialized nations, let alone the additional needs of developing nations that are rightfully seeking to improve their energy production and diversity of use.

If all mankind is to queue up eventually at a kind of world fuel bank, it would be prudent to know its balance of assets and liabilities beforehand. According to a recent United Nations study of global energy resources, coal's share of total fossil fuel reserves is an overwhelming 93 per cent, leaving only 4 per cent for oil and 3 per cent for natural gas. Further, the study estimated that, at current rates of utilization, the world by the year 2000 will have exhausted 87 percent of its oil reserves, 73 per cent of its natural gas reserves—and a mere 2 per cent of its coal.

It is cold comfort for the American consumer that he has been following the way of the world in neglecting his coal resource base—which represents 88 per cent of the United States' proved fuel reserves, even including uranium oxide—and relying for more than three-quarters of national total energy supply on oil and gas reserves that together amount to no more than 5 per cent of his fuel inheritance.

Clearly, the tide of oil and gaseous fuels is inexorably running out, and coal is, in geological fact if not by popular election, the principal guarantor of world energy supply well into the next century. Despite advances in nuclear power development—which in

the United States have been dramatically slower than originally expected—the world is hardly prepared to scrap its versatile and complex hydrocarbon energy network for an all-electric nuclear base.

A problem as broadly pervasive as energy shortages demands nothing less than a comprehensive solution. I firmly believe that the strongest candidate-solution is an international resurgence on a massive and unprecedented scale of coal production and a worldwide commitment to its utilization as a major source of diversified energy. For the industrial nations of the world, which are more concerned with supplying their power needs than establishing fuel power oligarchies coal is the most politically and economically accessible fuel.

The irony we face today is that coal, for all its saving potential, must itself be rehabilitated in the eyes of both governments and the public before it will be graciously allowed to redeem them. It is an aberration of history that the very fuel which gave birth to the industrial revolution and almost singlehandedly supported two centuries of worldwide mechanical and economic progress has been allowed to fall into disfavor only because it has been denied an appropriate share of that progress by the benign and sometimes even hostile neglect of government and the public.

Today the coal industries of the world must re-establish their natural preeminence in energy supply against both the forces of external competition and internal neglect. These, then are our common problems—the problems of the coal-producing nations. I am convinced they will be solved only by greatly expanded international cooperation between us. The coal-producing nations of Western Europe have already adopted this cooperative course—as wise as it is necessary—and the United States coal industry is entirely willing to join in the establishment of a greatly expanded international program of constructive coal utilization and development.

This occasion is a striking reminder for me that the troubled energy situation in the United States coincides in general outline with the problems of Europe. Indeed, the most threatening problem—constantly increasing dependence on closely held Middle Eastern oil resources—extends beyond our two continents to Japan.

National trends away from coal to an inordinate reliance on oil for total energy supply have brought us to the edge of an abyss, and the only wonder is that so many of us still appear willing to risk the descent—so long as it seems comfortably gradual—rather than to struggle back to the secure ground of coal.

All of you know your national positions in oil supply and demand better than I, and you may draw such parallels as undoubtedly exist between recent American energy developments and your own.

Since 1970, U.S. demand for oil has exceeded domestic production. For years, the number of exploratory well drillings has declined steadily for economic reasons and the building of new refineries is at a standstill largely because of environmental controversy over plant siting.

The outlook for increased production of indigenous oil is primarily clouded, however, by the steady depletion of proved reserves. At the end of 1972, those reserves had dropped to a life index—or ratio of reserves to production—of 10.5 years, even with the statistical inclusion of large new reserves in Alaska that continue to lie in a limbo of environmental concern about the effects of a hot pipeline on the permanently frozen tundra of the Arctic.

All of that explains, though it does not justify in the coal view, the U.S. resort to oil imports to satisfy consumers who only last year boosted the petroleum share of total energy supply to 46 per cent. It is widely estimated that the United States, which currently imports one-quarter of its oil requirements, will double that dependence on foreign sources by 1985.

The international rub in that prospect is that the most substantial part of the increased oil supply must come from the Middle Eastern hoard on which Europe and Japan have been drawing more heavily than the United States for years. The possibilities for harm in a multinational scramble for oil in one of the world's most politically volatile regions are eminently plain. It is always a mistake to bid up prices, but it is a blunder when one is also unsure of the security of the prize, even if it represents almost 70 per cent of the world's known reserves of oil.

The Middle East, frankly, is a tinderbox with a record of several flare-ups in the past three decades and frequent interruptions of oil flow. Further, it is increasingly clear that oil reserves—and not exclusively in the Middle East—can be used as instruments of national or bloc policy in foreign relations and economic spheres. The world menace of a hegemony of oil—the triumph of the industrially weak over the industrially strong—is nonetheless real because it would necessarily be shortlived.

The Middle East must greatly expand its production to meet the anticipated growth in oil demand in Western Europe, Japan, and the United States. But a recent U.S. Congressional report pointed out that without new discoveries only two or perhaps three of the Middle Eastern countries are at all likely to increase their oil production beyond the 1980's. Some of the less well-endowed countries have already moved to production curbs to stretch their reserves, and the most affluent of them all—Saudi Arabia—has warned the Western world that large increases in its production will be conditioned on prices.

Members of the organization of petroleum exporting countries have already won substantial concessions from multinational oil companies on matters of operational control and revenue sharing by using the levers of nationalization and concerted action. Their message is clear: there will be no more bargain prices for oil. The United States has learned that lesson after years of pitting what once was cheap foreign oil against its domestic fuels, particularly coal. Today, imported oil products are more expensive than their domestic counterparts.

Meanwhile, the huge drain of Western money into the treasuries of the oil-exporting countries could radically shift the balance of economic power and imperil the world monetary system. Wealth is a rather common national goal, but surplus wealth carries a great potential for mischief.

Now we read reports that Western European nations are interested in creating a common front with the United States and Japan on oil matters to give consuming nations bargaining leverage against the OPEC group. Indeed, the eminent oil economist, Walter J. Levy, has called on the consuming countries to form an organization that would be a "countervailing power" to OPEC, warning that without it the quest for energy could affect not merely international trade and finance but the peace and security of the world. This proposal is supported by several key political leaders in the United States.

Others, however, see nothing but danger in that direction. J. K. Jamieson, chairman of Exxon Corporation, has warned that such a confrontation between oil-consuming and oil-producing camps could create a "hostile atmosphere" that would tend to further politicize the petroleum business and jeopardize the smooth flow of energy and the world's economy. But he also cautioned against what he called "destructive competition" for oil supplies among consuming nations. That specter was recently raised also by the Japanese Trade Ministry, which warned of Japanese fears of an energy clash with the United States for Middle East oil.

The U.S. position has been stated clearly by President Nixon's assistant for national security affairs, Henry A. Kissinger, who said in a recent major policy statement that America is prepared to work cooperatively with Europe and Japan on new common problems we face. He pointed out that energy raises challenging issues of assurance of supply, the impact of oil revenues on international currence stability, common political and strategic interests and the long-range relations of oil-consuming to oil-producing countries. "This," Dr. Kissinger said, "could be an area of competition; it should be an area of collaboration."

In short, the United States would avoid the polarization of energy forces as the carrier of an unprecedented international crisis.

Western Europe, with a greater dependence on oil imports, has been deeply concerned about serious dislocation in world oil supply longer than the United States. One proof of our new concern is our national participation in the effort of the Organization for Economic Cooperation and Develpment to produce a comprehensive report on long-term problems and to develop an agreement for international sharing of oil in times of acute shortages.

This, of course, is the spirit of international cooperation. But the substance of any such international agreement must inevitably be the parceling out of emergency rations of a rapidly diminishing world resource. I am continually amazed at the obviously idealistic lengths to which our governments will go to make do with a negative fuel situation, while consistently scanting the positive help of incredibly rich coal resources distributed widely across the industrialized world. Our governments have become too obsessed with complicated solutions to their energy problems to recognize that coal can put a modern edge on Ockham's razor.

Strangely enough, one of the most impressive recent testimonials for world coal development came from the Secretary-General of OPEC, who said candidly that coal utilization must be intensified if world energy demands are to be met. If OPEC believes that, why should coal countries doubt it?

I submit that the only strong and predictably effective counter to the looming economic and political power of the OPEC cartel through the remainder of the fossil fuel age is a free consortium of the coal-producing nations, bound only by a common commitment to make coal a truly major resource of diversified energy worldwide. Singly we have more or less coal, but combined we have coal in nature's plenty and could form a balancing force that could make much of the world's petroleum needs redundant.

One aspect of worldwide coal development as a counter to increasing reliance on oil that continues to be ignored is the promise of vital energy help for developing nations. All serious students of international relations agree that the growing gulf between the "have" and the "have-not" nations is a critical impediment to world peace, if not actually a time-bomb. The have-not nations must be given the fullest scope to develop their economies so they can provide their citizens with a standard of living that will not constantly invite invidious comparisons with the lifestyle of others. Energy is crucial to that development.

But in a world which is today scrambling for decreasing petroleum supplies, underdeveloped nations must be pitted against the highly industrialized countries. Given the dynamics of any competition amid scarcity, prices will tend to rise, possibly to peaks that will impose prohibitive energy costs on the nations that can least afford them but must

increase their energy consumption at a bewildering rate to catch up with economic history.

That is a dilemma that can be avoided only by development of the world's coal resources as an energy alternative to oil and a political equalizer. Greater availability and use of coal will relieve much of the pressure on oil supplies and put a brake on the price mechanism that otherwise could run out of gear. Most important, coal can give both the energy-rich and the energy-poor access to a virtually limitless mid-term fuel resource that will provide them time to develop the new energy technology the world will need as fossil-fuel reserves reach the limit of their expansion potential.

The liberal interchange of energy resources, unhindered by political maneuvers in the world market, is insurance of a vital kind for world peace through progress. It is a geopolitical irony, then, that the very few nations that appear to be the most forward in massive efforts to expand coal development are following an ideological mandate that may or may not reflect their genuine needs. Elsewhere, representative governments of the world have been allowing their coal productions and even their productive capacity itself to decline. Whatever the reasons for this—economic rationalization or environmental restriction or exploitation of popular preference for convenience—they will no longer stand against the stark need for coal.

Let the United States serve as an example. It is commonly predicted that we will have exhausted our indigenous supply of oil and natural gas before the end of this century, that nuclear power by then will fall far short of satisfying even our electricity demand and, thus, the nation will desperately need vastly increased tonnages of coal simply to maintain its energy economy. If projections of United States coal needs vary, it is only on the side of competition to arrive at the largest number.

Thus, the United States Department of the Interior has predicted that our domestic coal requirements for electric power generation in the year 2000 will soar to 775 million tons, that the manufacturer of needed synthetic natural gas from coal will take 308 million tons and that other industrial uses, including production of synthetic oil from coal, will demand 247 million tons. In addition to this tremendous total of more than 1.3 billion tons of domestic coal requirement, Interior estimated, our industry must make 108 million tons available for export.

The National Petroleum Council, a prestigious industry advisory committee to the Secretary of the Interior, sees coal needs growing sooner than the millennial year and substantially greater than Interior expects. The Council postulated four sets of limiting conditions, related to probable economic and environmental developments, and forecast that even under the least favorable conditions for coal, the United States must consume one billion—that is, one thousand million—tons a year by 1985. With significant changes in current energy supply trends, the Council said, coal use could range as high as 1.6 billion tons.

These projections are not academic exercises. We must accept their direction if not the details. And we must assume that coal will be permitted its destined growth simply because the need for sufficient energy to improve the human condition carries a pragmatic sanction to which secondary goals must yield either gracefully or in a rout.

What the United States coal industry needs now, however, is not fatalistic assurance of future worth but present help to recoup its strength to meet the stern challenge of doubling its production in a brief span of time. Our coal industry has never asked for the kind of government subsidy that was bestowed on nuclear power development but it is vigorously asking now for a new climate of government encouragement through a fair share of national energy research and development spending and reasonable relief from hasty and ill-conceived legislative restrictions on coal production and utilization.

President Nixon in the long-awaited Energy Message he sent to the U.S. Congress last month offered the American coal industry a promise wrapped in a paradox. Although he strongly urged increased development and use of coal as a matter of "highest national priority," he did not propose any increase in R&D funds to realize those vital objectives. Instead of the massive national commitment to coal absolutely required by our straitened fuel circumstances, he settled for proposals that the states delay enforcement of secondary air quality standards that constrict coal use, that Congress speedily set the mining rules it deems necessary to curb environmental abuses and let the industry get on with its job of winning coal, that the electric utility companies be allowed to recoup the cost of air pollution control equipment through higher rates for power and that the utilities be required to report regularly on their coal use.

At best, this is coal encouragement by indirection in the face of Mr. Nixon's clear statement that "every decision against coal increases petroleum or gas consumption, comprising our national security and raising the cost of meeting our energy needs."

His message left Federal R&D funds for coal budgeted at $119.9 million for the next fiscal year, an increase of $25.4 million from the current year but a far cry from the almost $564 million budget for nuclear power development through both fission and the remote technology of fusion.

Fortunately, influential members in both houses of Congress put a higher premium on coal development through research and have proposed bills for Federal spending of $20 billion over the next decade or so to realize coal's potential as our only saving energy resource in a protracted crisis. We earnestly hope they will prevail.

Western Europe may find another paradox in an Energy Message dominated by the national urgency of increasing production of all forms of domestic energy, including shale oil and geothermal steam, to reduce long-term U.S. reliance on fuel imports. Mr. Nixon did abolish our oil import quote system, which will undoubtedly bring us still further into the international oil market. But in fact the quota system through steady liberalization had become too open-ended to defend our domestic fuels anyway, and its replacement by a graduated license-fee quota system, which is designed to make price the operative factor and encourage the domestic oil industry to find and produce more oil and to build refineries at home instead of overseas, was not a complete surrender to the import mentality.

The U.S. coal industry welcomes Mr. Nixon's recommednation to Congress to free new domestic supplies of natural gas from Federal price regulation. This would be a powerful incentive for indigenous gas development to counter imports and, at the same time, reduce the completely artificial price advantage that premium fuel paradoxically has enjoyed over abundant coal in the boiler fuel market.

Ths major disappointment of the coal industry in the President's energy stance is his failure to enlarge on initiatives in coal utilization research, that have bought us to the threshold of a new synthetic fuels industry, or to order a bold program to rejuvenate the technology of coal extraction. Coal, after all, is our mother fuel, not a maiden aunt to be pensioned into declining years. If the world's coal industries are to serve the huge energy demands we see ahead, they must be reborn in a new technological age.

The coal industries in the United States, in Western Europe and the world have made incremental progress in technology over centuries; now they must make not evolutionary but lightning progress across the whole span of operations—from winning coal to winning back consumers. The United States industry is calling on its government to mount a coal advancement effort similar in scope and funding to the railroad development and homesteading programs of the past and, in our time, nuclear power development and space exploration. This is by no means an immoderate request in the gathering gloom of a national energy crisis that requires a strategy for industrial survival.

The plain fact is that the current technology of coal production is woefully inadequate for our enlarged prospects. The continuous mining machine, for example, which marked a new era in underground mining, is now more than 20 years old. By our modern quick-march standards, a mechanical concept that old is in the prime of senility. What is worse, the continuous miner is neither continuous in any real sense nor inherently efficient.

We need a wholly new integrated-systems approach to underground mining, including rapid drilling and tunneling, foolproof roof support, automatic coal cutting and underground transport, computerized operation—everything, in short, to boost our declining productivity and do it in as hazard-free a working environment as human ingenuity can devise.

Speaking boldly, we might consider going completely beyond underground mining as we have known it in its long historical development. The idea of gasifying coal in place, or liquefying coal to a pumpable slurry, has not failed—it has not been sufficiently tried. At least as a development in parallel with solid coal extraction, this new approach is worth a considerable venture. For one thing, it would greatly relieve the age-old and still growing problem of handling mining wastes without incurring the wrath of a public that will no longer suffer gladly the proliferation of slag heaps and culm banks.

Let me emphasize that in all this I am not proposing to innovate our invaluable miners out of their jobs. Labor must remain the backbone of coal production in any form, but I also believe firmly in industry's obligation to labor to make mining a safer and more skillful occupation. The term manpower, to me, implies no condescension, and I believe that old skills beget new ones. I am forcibly reminded of that truth here in Cornwall, which has a mining tradition dating back to the Roman emperors that has been perpetuated by Cornishmen named Cousin Jack in countries on which the Roman sun never rose.

We should also recall that it has not been innovation but the slowness of mining progress that has contributed most to coal mine rationalization and miner redundancy. A new surge in coal production must mean more jobs—as Lord Macaulay would say, every schoolboy knows that.

The American coal industry also has a homely expression about coal: If you can't sell it, don't produce it. At home we are striving mightily to overcome problems in both the production and consuming ends of the business. While bringing our underground production up to the most rigorous standards of health and safety in our history, we have expanded use of the safer, more economical and often geologically necessary technology of surface mining to the point where it now accounts for about half of our total production. Despite the fact that this surface-mined coal generates one-fourth of the nation's electricity, environmentally inspired legislative pressures for restricting surface mining continue to build. The cry is for a plane of surface-mined land reclamation that is lofty and is also to be quickly

achieved, and the only alternative offered is to cease mining.

The coal industry absolutely rejects the thesis that mining must inevitably leave the land in permanent disarray. The responsible surface mine operators are practicing reclamation as part of the mining cycle and have demonstrated an increasing capability to restore mined land to productive uses. We have transformed a native art into a scientific discipline that, with accelerated research and proper respect for the growing cycles of nature, will eventually yield the results that both coal operators and environmentalists desire.

The consumer problem of sulfur emissions from coal combustion, which has cut deeply into coal's utility market, can also be solved by research. Technically feasible air pollution control systems have been pilot-tested—what is required now is a massive infusion of research and development funds to bring the best of these systems to full-scale demonstration and on to practical commercial use. Can we readily believe that the ultramodern science of chemistry and the most advanced engineers in history cannot, with proper financial support, clean up a power plant stack?

Scientific research has already provided us with the long-term solution to lean coal-energy—the conversion of coal to clean-burning, pollutant-free synthetic gas and oil. These are not radically new, untested processes by any means, as Europeans well know and as Americans who formerly found their way home by the light of coal-gas street lamps should remember. But how little we have exploited this energy resource, and how timid we have been—and continue to be—in weighing economic considerations against the bold stroke required to bring coal conversion research to the commercial threshold. Here is a potentially large supplement to our oil and gas supplies, and a hedge against almost total dependence on the Middle East and North Africa—and here we are, just now trying to elaborate on the Lurgi process with a methanation step that with foresight and generous funding we could have had in better time.

Our research needs are many, and certainly include a revamping of the aging and inefficient electric generating technology that we can only hope will carry us into the promised nuclear power era. Magnetohydrodynamic generation, fuel cells and combined-cycle systems employing steam and gas turbines are clear options. And they all carry high research pricetags—too high perhaps for the industry of any one nation.

The only way out of the cost dilemma is to internationalize research. There are precedents for bilateral research cooperation. The United States, for example, has had cooperative programs with other nations in a variety of energy applications—with the United Kingdom on fluidized-bed combustion of coal, with Germany on magnetohydrodynamics, with Italy and Japan on geothermal energy, with Poland on coal technology and most recently with the Soviet Union on a number of energy technologies. Coal representatives of many nations have exchanged information and visited foreign workings, and the U.S. coal industry welcomes all opportunities to enlarge its knowledge of and working relationships with other coal industries everywhere.

But it strikes me that this, helpful as it undoubtedly is, is too conservative an approach to international coal cooperation—indeed, almost primitive in view of the broad-scale problems that need common solutions and the tremendous demand that I see for coal in the future.

We have so far been looking at coal's promise and problems through all too narrow national windows, when what is urgently needed is the kind of integrated world overview of the Apollo spaceman.

The United Nations is our paradigm of world cooperation on issues affecting the course of governments and the aspirations of people—in both of which energy sufficiency must play an indispensable part. Certainly the UN structure is comprehensive enough to provide a truly worldwide focus on coal's potential as the international balance wheel of energy stability and as significant insurance against political excursions—or incursions—in pursuit of energy domination.

The UN has already set this direction and supplied a framework of action in the various energy committees of the Economic Commission for Europe. The Coal Committee of ECE has done outstanding work in providing an international clearinghouse for information on progressive coal developments and a forum for constructive thinking about coal problems.

But this is simply not enough for the world's present coal requirements. I believe the coal industries of the world must now extend their coal efforts into a far more active sphere. I believe the coal industries of the world should convene a World Congress of Coal. I believe we need nothing less than the transformation of the current regionally international coal committees into a World Congress of Coal, a continuing body of specialists representing all coal-producing and coal-consuming nations that at the peak of its usefulness would underwrite specific coal research and development projects that would bring common benefits and advances not only to all the coal industries of the world but to all mankind.

This would be an enormous venture, of course, and would call for overcoming many complexities of national interests. But in a world that has already lapsed into devious schemes of energy protectionism on an international basis, with the profound threat to world stability which that has introduced, the concept of a World Congress of Coal can scarcely be dismissed as grandiose.

The National Coal Association on behalf of the American industry offers its good offices toward such an undertaking and, in that, reflects—according to my reading of recent U.S. Government declarations—America's specific desire to accelerate and expand international cooperation in energy development.

President Nixon raised the theme of energy cooperation to the level of a grand design when he said in his Energy Message to Congress: "I believe the energy challenge provides an important opportunity for nations to pursue vital objectives through peaceful cooperation. No chance should be lost to strengthen the structure of peace we are seeking to build in the world, and few issues provide us with as good an opportunity to demonstrate that there is more to be gained in pursuing our national interest through mutual cooperation than through destructive competition or dangerous confrontation."

I am unused to qualifying Presidential statements, but I am forced to add that the rewards of international cooperation for energy adequacy will be greatest if that cooperation concentrates primarily on progress for coal, the world's overwhelmingly most abundant and chemically versatile fuel.

Our best efforts to maintain universal energy stability in our time with oil and natural gas will be reduced to making do with scarcity and rationing and could be completely frustrated by nature—if nothing worse. But coal offers a richly positive alternative, and the only wonder is that in a world plagued with energy problems our nations have not rushed to exploit coal to the fullest. We must come to it in the end, even as a hydrocarbon prop for a specialized nuclear power economy, and that is the most compelling reason for making a fair start on it now, while we still have coal industries in place and capable of growth. Coal may not be the energy world's first choice, but it certainly is the most visible second chance for that world's stability and survival.

SPECIAL ASSISTANT TO INVESTIGATE THE WATERGATE

Mr. THURMOND. Mr. President, I rise in support of the resolution sponsored by the senior Senator from Massachusetts.

The Watergate incident is many things to many people. To most of us, it was a crime for which there is no excuse.

But the true significance of Watergate transcends the illegal act of bugging, and it certainly overrides any partisan gains or losses which may result. A much more important concern is the effect it will have on the continuing processes of governing the United States. This is the paramount question, and the final verdict may not be known for many months.

When the break-in and bugging at Democratic national headquarters were first discovered last summer, their consequences to the country seemed small indeed. The crime was first viewed as a mindless caper carried out by a few political amateurs. But recent revelations indicate the possibility of a much broader campaign of political impropriety which could possibly reach into the upper echelons of Government.

Although several high ranking officials have resigned in the aftermath of Watergate, they should not be prejudged. These resignations were the first step toward restoring lost confidence in the White House and are not admissions of guilt. Many are talking as if they have already been indicted and convicted. But we must exercise caution not to reach any conclusions until the judicial process has taken its course. Then if anyone is found guilty, he should be punished in accordance with the law. Until this happens, however, discretion should be the watchword.

In order to expedite the resolution of this matter and to restore full confidence in the executive branch, it is mandatory that the investigation be above any question of partiality. For this reason I believe that someone outside the executive branch should be appointed as a Special Assistant to aid in the investigation. However, it is my firm conviction that this Special Assistant should be accountable to and under the supervision of the Attorney General. Such a procedure would be consistent with our legal system, which charges the Attorney General with the responsibility of investigating and prosecuting criminal matters such as the Watergate incident.

Mr. President, this resolution in no way implies that the Attorney General, or the President himself, could not conduct a full, fair, and impartial investigation of Watergate. However, the appointment of a Special Assistant from outside the executive branch will remove every question of partiality. I understand that the Attorney General agrees that a Special Assistant should be appointed, and that he is presently taking steps in that direction. I commend him for this action, and I urge my colleagues to support this resolution which will make the Senate's

views on this question a matter of public record.

CHILD ABUSE

Mr. MONDALE. Mr. President, in recent weeks my Subcommittee on Children and Youth has been conducting a broad investigation into the problem of child abuse. In the course of the subcommittee's investigation and its four hearings we have been seeking models of programs which hold out promise for improving our methods of preventing, identifying, and treating child abuse.

Therefore I was gratified to read in the April 15 edition of the St. Paul Pioneer Press newspaper a description of the effective child abuse program operated jointly by the Zumbro Valley Mental Health Center, the Ramsey County Welfare Department and a "Parents Anonymous" chapter in my home State of Minnesota. Parents Anonymous is a self-help organization of parents who are former child abusers.

The article about the Minnesota program touches on some of the themes that have been developed by witnesses during the subcommittee's hearings—including the need of battering parents for assistance in coping with family problems.

At this time I request unanimous consent that the article from the St. Paul Pioneer Press be printed in the RECORD.

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

[From St. Paul Sunday Pioneer Press, Apr. 15, 1973]

CHILD ABUSE—THE DARK SIDE OF FAMILY LIFE

(By Nancy Livingston)

It's easy to think all child abusers are monsters. The act itself seems so despicable.

But most people who work with child abusers agree the majority are not monsters, nor are they psychotic. Troubled, yes. Serious problems, yes. In need of help, definitely.

Take the case of Sheila, 28.

On the surface, Sheila (a fictitious name for a real person) seems like the average American parent. Dark-haired and attractive, she has a sunny smile and flashes deep dimples. She speaks softly and thoughtfully.

About three years ago, Sheila spent a month in the hospital following an incident in which she severely beat her month-old hydrocephatic baby fracturing both his arms. The baby suffered permanent brain damage.

When Sheila had her second baby, less than a year later, she watched him fearfully to see if he, too was "retarded." She became convinced he was.

One day, in a rage, she threw her second son on the floor and struck him repeatedly with her fists. He was temporarily placed in a foster home.

Last year, two children in Ramsey County were not as fortunate as Sheila's. One died from head injuries and one from suffocation at the hands of their parents. So far this year, one child has died after being beaten by her father.

Why do these things happen? What could possibly possess a person to strike a defenseless child not once, but over and over?

Virginia Trampe of the Zumbro Valley Mental Health Center said there are a couple of reasons for normally well adjusted people to resort to violence.

One, she said, is lack of life supports—not enough money, lack of communication with others and a lack of amenities—like babysitters—that can alleviate stress.

Another reason—the constancy of the demands of the child. To some women, a child who persistently wails and cries is saying that his mother is unacceptable. When a person's self-image is threatened like that, the normal reaction is rage, said Miss Trampe. She noted that high-risk times of day are when the child is supposed to perform in a specific way such as at feeding time, bedtime and toilet time.

There are other characteristics of this so-called "battered child syndrome." A common one is that parents make unreasonable demands on their youngsters. They deal with their kids as though they were much older. And they look to them for reassurance, comfort and loving response.

Wayne Fox, head of the child protective services at the Ramsey County Welfare Department, said this interaction is called "role reversal." The parent becomes the child and the child is expected to be the parent.

Another indulging in role reversal might say, "My baby hates me—he won't stop crying." Or "My baby is trying to make me mad."

Sheila, the woman at the beginning of the story, said she thought when her children cried they were accusing her of being a bad person. And when they were fussy and whiny it meant she had failed in her maternal role.

Sheila felt she wasn't getting the love she needed from her passive, subtly critical husband. Not only her marriage partner, but her parents, her relatives and her in-laws were critical of her. The children were supposed to make up for this injustice. They were supposed to love her and cherish her and fulfill her unmet emotional needs.

But the infants didn't read the scene. A series of frustrations sparked by the child's selfish complaining unleased her pent-up fury. In her own words, she "took it out on the kids."

Sheila said she doesn't exactly remember the circumstances of the beatings. But she does vividly recall the guilt and self-hate that flooded her after it was over. She was desperate for help and saturated with fear that she would strike her children again.

Sheila was referred to the Zumbro Valley Mental Health Center, where she entered into group therapy sessions with other women of similar experience. At first she clung to the group as a crisis prevention tool. She became especially dependent on one group member, who she called daily for support.

Later, after she began to control her fear and improve her self-concept, she started to use the group for informational purposes. She saw herself fitting into a pattern and she began to look at her own behavior more objectively.

The last step in Sheila's evolution as a parent was to actively use the information supplied in the therapy sessions until her own sense of motherliness was awakened. She had to learn how to be a mother, and it was a long, slow process.

Now Sheila's second child has been returned to her, the first is still in a foster home, and she has a third child. When she talked to this reporter, she proudly pulled out a color snapshot of her kids and talked about their cute personalities.

She said she and her husband are still having problems, but she is "handling it beautifully" and not taking it out on the children.

Miss Trampe said several marital problems exist in almost all cases of child abuse. The child becomes the battleground for two unhappy, insecure persons.

She said nearly all abusers were themselves abused as children and they emerged from childhood feeling pretty awful about themselves. One group of child abusers at the center, she said, consists of seven women who all feel they are the outcasts of their respective families.

Sheila said her father and mother had "rotten tempers" and they used to beat her with a broom if she dared to display her own temper. This was all in the name of discipline.

Usually it is just one child who bears the brunt of his parent's rage. Children are especially likely to "get it" if they are perceived to be sick, illegitimate, deformed, hyperactive, fussy or step-children.

When Sheila gave birth to a deformed baby, this was further indication to her that she was not a good person. For a year and a half after the beating incident she kept the child in her home and tried to cope with her feelings. She said she didn't hate the child, she hated herself.

Miss Trampe said other kids are singled out because they remind a parent of someone she doesn't like—a former husband, boyfriend or relative. Or perhaps herself.

In Ramsey County last year there were 53 new cases of confirmed child abuse. Wayne Fox said his department is following about 250 cases of abuse and 1,200 cases of child neglect.

The 1972 county statistics indicate most abusers have not more than a high school education, most are white and most are the natural parents of the victim. The income level of the family is generally less than $6,000 per year in 42 of last year's 53 cases.

In 35 of the county cases last year, the child remained with his own parents. In only one case were parental rights completely terminated. In 34 of the 52 cases, no court action at all was taken against the abusing parent.

Nationally, about 65,000 cases of child abuse are reported each year. About 25 per cent are said to be seriously, sometimes permanently, injured. Perhaps 6,000 are killed.

In addition to the resources of help for the child abuser at the county mental health center and Welfare Department, a self-help, non-professional rap group has been started in St. Paul.

Called Parents Anonymous, the group's motto is "I will live one day at a time without beating my child."

There are no professional people attached to the group. Members meet weekly in a St. Paul church to discuss common problems.

Though hopes were high when the group started a year and a half ago, the group is now having real problems staying afloat. It's leader, herself a child abuser, complained that people have no commitment to the group. "They all say they want professional help, but they refuse to go to the mental health center because that means they're sick."

Often, the group leader said, members are satisfied with spilling out their problems and leaving it at that. They don't attempt to get at the root of the violence. Their attendance falls off until the abusive pattern recurs.

She said the group may soon cease to function.

In Ramsey County, the Child Abuse Team was created to involve many professional agencies in the problem. When a potential abuse case is referred to a member of the team, members—who include police officers, doctors, social workers and nurses—hold staff conferences to decide its disposition.

It seems that at last the darkest side of family life in America is being examined by society. Things have progressed significantly from just a century ago when authorities in New York City finally freed Mary Ellen, a little girl kept chained to her bed and otherwise mistreated by her adoptive parents.

That court battle was won by the American Society for the Prevention of Cruelty to Animals.

MONDALE SEEKS NATIONAL POLICY

Sen. Walter Mondale, D-Minn., is among those trying to focus national attention, and

particularly legislative attention, on the problem of child abuse.

Mondale heads a Senate subcommittee on child abuse that recently heard three days of testimony from doctors who operate children's hospitals and from former child abusers.

The subcommittee has taken the first major step toward making Congress aware that the federal government might have a role in dealing with this problem. As it stands now, there is no national policy on child abuse.

Mondale has legislation before the Senate which would provide $90 million over the next five years to work with child abuse by establishing a national center and a national commission on child abuse and neglect.

THE 1974 BUDGET THREATENS FUTURE OF ADEQUATE HEALTH CARE

Mr. HUMPHREY. Mr. President, as part of its investigation of rising prices to consumers, last week the Joint Economic Committee's Subcommittee on Consumer Economics held 2 days of hearings on the Federal role in providing adequate health care to the American people at a reasonable cost.

Medical services are one part of the consumer's budget over which he has very little control, yet these costs are rising rapidly. The medical services component of the Consumer Price Index increased at a 5 percent annual rate in the 6 months ending in March of this year. This is in a period when the medical sector of the economy is under much tighter controls than the rest of the economy. In some areas, particularly hospital care, price rises have been even worse.

The only way to get an overall look at what the Federal Government is doing to address this problem is to carefully examine the Federal budget. It is the only planning document we have at the Federal level and it is the document that shows where we are putting our physical resources. Our examination with numerous expert witnesses leads me to the conclusion that the proposals in the 1974 budget will not solve any problems in the long run, and, in the immediate future, they will increase the costs faced by consumers.

Dr. John Cooper, president of the Association of American Medical Colleges, presented the results of a survey made by his organization on the impact of the budget proposal on medical education. This is a real horror story:

Federal funds available in fiscal 1974 for support of programs of research, teaching, and service would drop 11 percent from the fiscal 1972 level, more than 15 percent from the level in the current fiscal year, and 26 percent from the level which schools planned for fiscal 1974, prior to the release of the budget recommendations.

A number of schools reported to Dr. Cooper either that State legislatures would not grant requests for higher State appropriations or would not be in session even to consider such requests. Private schools have no source of income to replace lost Federal funds.

The proposed reduced levels of fiscal 1974 Federal support would require the schools to terminate the employment of 1 out of every 12 faculty members, unless other sources of salary support can be found.

In terms of undergraduate medical education, one-third of the schools reporting indicated the strong possibility of having to reduce the size of future entering classes. For many schools, future increases in first-year enrollments will not be possible.

Regional medical programs termination—as proposed in the budget—may force about one out of two medical schools to phase out or to curtail their health care programs in rural or neighborhood ghetto areas; their referral services in such significant areas as cancer, heart disease, stroke, kidney transplants, radiation, and emergency care; and their formal programs for instruction, lectures, and seminars for the continuing education of practicing physicians.

Taken together, these findings show beyond a doubt that the Federal Government has reneged on a commitment to support medical schools. The administration entered an agreement with these schools. If they would expand enrollment, encourage minority students to enter their programs, and provide more aid in ghetto areas, then the Federal Government would assist with financing. The schools have kept their end of the bargain, but now the Federal Government wants to back out. It is forcing these schools to fire teachers, reduce enrollment, and cut back on services.

Dr. Karen Davis of The Brookings Institution presented an excellent discussion of the way the Government assists in financing medical care and the impact of the administration's medicare and medicaid proposals on the elderly.

When medicare, medicaid, and tax subsidies for medical costs are combined, 45 percent of the total benefits go to people in families with income below $5,000. This concentration of benefits on low-income groups, however, is largely due to sizable expenditures for low-income old people. Of the $5 billion in benefits for people under 65 in 1970, only 28 percent went to people with family incomes under $5,000, while 40 percent went to individuals with more than $10,000 income.

Although medicare and medicaid provide substantial help, there are still big gaps. In fact, the elderly now pay more for medical care out-of-pocket than before medicare. Private payments for personal health care of the elderly averaged $309 in fiscal year 1966, before the introduction of medicare. In fiscal 1972, private payments totaled $404 per capita. We have failed to protect the predominantly poor elderly population from the ravages of medical care inflation.

Moreover, if this administration's proposals were adopted, the elderly would pay even more. They claim that patients who spend 100 days in the hospital would have more protection under their proposal, and this is true. But 99 percent of all medicare hospital stays are less than 100 days. Under current laws, a patient hospitalized for 30 days would pay an estimated $84 out-of-pocket. But under proposed legislation, he would pay an estimated $400.

At the end of April, the administration presented some modest tax proposals which would affect the tax subsidy for medical care. These particular proposals would be an improvement over our current laws, but Dr. Davis estimates that still 47 percent of the benefits would go to individuals with incomes over $15,000 per year and 66 percent would go to people with incomes over $10,000 per year.

The saddest part of the budget package is that it will worsen the plight of minority groups. Although medicare provides uniform benefits for all, in 1969 average reimbursement for hospital and physician services per elderly white person was $320 compared to $229 per elderly black person. It is urgent that supplementary measures be undertaken to improve the access of blacks, chicanos and Indians to medical resources—such as increasing the supply of minority medical personnel, greater placement of minority physicians on hospital staffs, training of minority residents as paraprofessional personnel to work in community health organizations, subsidies for health care organizations to locate in minority neighborhoods, and improved and expanded hospital outpatient facilities. Yet, Dr. Cooper showed that the groups who will be hit hardest by a shift from fellowships and training grants to loans will be these minority groups.

Stepping back to look at the overall health budget, it simply does not hold together. For years we have talked about the need for comprehensive planning to direct our health effort, but all of our witnesses agreed that this budget does not have any underlying plan of action. Even Dr. Edwards, the Assistant Secretary for Health, admitted in his testimony that we have not yet developed a comprehensive strategy for health care.

The importance of an integrated national health policy cannot be overstressed. As Mr. Glenn Wilson of the University of North Carolina Medical School explained, large sums of money have been poured into the health care system with little or no regard for and certainly with little prior discussion of the resource capacity to provide the service. Runaway inflation was the result of this approach. In the fifties, trade unions bargained for better medical benefits and in the mid-sixties, we enacted medicare. There was no systematic evaluation of the capabilities of the health care system to deliver the services. As effective demand rose rapidly, the free enterprise health care system naturally responded with price increases.

This year we are again considering a national health insurance plan, but we must be wary of considering it in isolation. Our present health care delivery system is seriously outmoded. In fact, an extensive study by the Committee for Economic Development, as reported by Alfred C. Neal, CED president, found that the organization of our existing health care delivery system virtually assures the Nation of a continuing spiral of inflation.

If we are to have a successful national health insurance plan we also need extensive reorganization of our health care delivery system.

Our present health system is made up of many separate pieces. Each piece is worthy by itself, but must be put together with the others to make the whole function properly. In other words we need a national health policy. That policy must stimulate a healthy balance of resources between the delivery of health care services, the education of health care providers, and basic research. The latter must encompass both biomedical research and research involving the delivery system. None of the pieces can bring their maximum benefit to bear upon the health of the American people without the complementary aspects of the others.

Unfortunately the 1974 Budget makes no contribution toward pulling the parts together. We cannot depend upon the administration. Congress should act now on its own initiative.

INTERVIEW WITH NEW YORK STATE SENATOR MARCHI

Mr. BUCKLEY. Mr. President, the May issue of the Intellectual Digest contains an interview with New York State Senator John Marchi, who is currently a candidate for election as mayor of New York City. I have known and admired Senator Marchi for some time and I want to bring to your attention his qualities of intellectual excellence and political astuteness both of which are evidenced throughout this interview. I ask unanimous consent to have printed in the RECORD the interview with Senator Marchi.

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

THE REMARKABLE MR. MARCHI

John J. Marchi, a most congenial conservative candidate and a proudly independent man, has served in the New York State Legislature for 20 years. In 1969 he first ran for mayor of New York City, on the Republican-Conservative ticket, and lost to incumbent John V. Lindsay. But en route to defeat he left a lasting mark on the minds of voters, many of them liberals, who were astonished by his qualities. Bruce and Naomi Bliven found those qualities intact when they talked recently with Senator Marchi in his large, bright, still bare office in the unfinished legislative office building in Albany.

BRUCE BLIVEN. Do you define the word "conservative" in a particular way?

MARCHI. I think the English language is the most marvelous language—the richest. But there is also a great deal of imprecision. I don't know whether it is an American characteristic, or whether it is going to be the way of people in the future, not to be closely riveted to definitions. Some damage is done as we adjust language to accommodate evolving approaches to life and problems.

Take a word like "discrimination." It now has an odious connotation. But a man who practices discrimination in the sense that he is discriminatory in values and tastes—I think that is one of the great heritages and one of the great rights we want to preserve for Western civilization. If the word signifies prejudgment, then that is something else. So the pejorative is only one sense.

I remember getting into quite a discussion with Judy Michaelson [a *New York Post* reporter] on the significance of "law and order" as a code phrase. I said "My understanding is that the rule of law and the idea of order are ethical concepts." She said, "Yes, but the message you convey by using 'law and order' may mean pounding some disadvantaged person over the head." In fairness to Judy, I did look up the words in several dictionaries published in the thirties, and the primary meaning then was ethical: "a distributive fairness," that kind of justice. But when I looked it up in the new *American Heritage Dictionary*, I found that there has been a shift. "Law" becomes the application of law, and nothing more. The judge who sentenced Susan B. Anthony was applying law, the law then. Her appeal was to a sense of law, rooted in justice [see ID, September 1972].

NAOMI BLIVEN. Natural law.

MARCHI. Right, exactly. I think we—speaking as a professional class, those in government—have to tidy up our language and our concepts. The neat packaging for the public is a technique for getting something across very fast. But we do violence to well-structured thinking, not always a very conscious process but one that knows certain disciplines. Sometimes we avoid the bewildering conflicts and contrasts—for example, how do you define a conservative?

BRUCE BLIVEN. How do you?

MARCHI. In Italy a "liberal" is one who believes in the unrestricted movement of people and goods, with minimum interference by government in anything. The classic liberal would object to laws that govern the length of the working day. When they suggested reducing the workweek of women in coal mines in England in the 1800s, the liberals felt that this would lead ultimately to the abridgement of the right of contract. Well, I guess it does, but after all . . . In this country there are people who vote conservative, feel conservative and may be conservative about behavior, but they don't believe in an unbridled economy without any interference. And there are other conservatives who feel that we shouldn't legislate in matters such as the use of drugs or promiscuity of any kind—sexual deviancy and the rest of it. So what does conservative mean?

NAOMI BLIVEN. That is classical liberalism. I think many people in the United States who are reactionaries are nineteenth-century liberals gone sour.

BRUCE BLIVENS. The extreme Right, just short of the nut Right, really is liberal by traditional definition.

MARCHI. Those nations that are within the Anglo-Saxon tradition, as far as political institutions are concerned, are primary pragmatic in the sense that they look to the solution of a problem and are not that firmly rooted in a political philosophy. You can see that by the very fact that we have common law, as against code countries that describe law minutely in terms of codes. England usually has two parties, though they have had three, so Parliament is rectangular in shape. You're either in or you're out. The fan-shaped French Parliament allows you to move—if you feel you're a bit more to the left, you may move over one row or so. But is that important? Or is the Anglo-Saxon tradition the saving factor in our experience—tending to look to a final objective, and finally squaring one's political thinking and one's so-called philosophy to arrive at the end product?

NAOMI BLIVEN. In the thirties what was state and local, as against federal, was thought of as conservative. Now what is local—the community, usually—is a radical issue. Community control is an issue most often raised by the Left. Is a section of the Left becoming conservative without knowing it?

MARCHI. I don't think they are far enough away from the picture to evaluate it. It can't be seen in any kind of real perspective yet. In the 1930s, Roosevelt was saying things that would be eminently desired by conservatives today. In those years, the exercise of power by the Supreme Court in knocking down acts of Congress was a conservative bulwark in the defense of freedom. The same phenomenon in the fifties and sixties brought cries to impeach the Court for abusing its authority. I suppose nonphilosophic conservatives rationalize in terms of personal impact, and then from there they go out and find their reasons. Again, very pragmatic, and sometimes not a really well thought-out process.

BRUCE BLIVEN. Still, the practical problem is to say where you stand with a single word, though all the words are everchanging. We *can't* come to the conclusion that the meaning of "liberal" or "conservative" is so diffuse that those words won't be used.

MARCHI. No, we can't.

BRUCE BLIVEN. Perhaps we are trying to come down to a least common denominator, and "conservative" comes down to a life style, or a style of approaching problems.

MARCHI. I suppose there must be considerable discussion among ideological conservatives as to exactly what conservatism means. To one voter if may mean paying a little less in taxes; to somebody else it may mean walking the streets at night without getting clobbered. But I don't know whether we have consciously developed a conservative or liberal ideology that is easily identified. In terms of general institutions, on the other hand, it is surprising that liberals and conservatives in this nation, and I suspect in England and in most Anglo-Saxon-tradition countries also, are closer—much closer—than in countries where the ideological sorting-out process is more precise—going from left to right in France, Germany or Italy. There the differences are enormous. But not here. The American liberal is not necessarily committed to anything other than the private ownership of means, provided it's socially oriented. Most American conservatives, or those who vote the Conservative line, can agree with that. The difference in the United States is minuscule. Its range might be covered by one party expressing one point of view, because the institutional values are much the same.

NAOMI BLIVEN. I once heard a Republican say, "I think we need the Democrats to think of far-reaching, innovative social programs, but then we need the Republicans to administer them."

MARCHI. It depends on where a man comes from. We don't have a Democratic party and a Republican party in the United States; we have 50 Democratic and 50 Republican parties. I find myself perhaps in far greater agreement and more at home in approaching problems with Democrats in New York or, say, California, than I do with Democrats or Republicans from the Midwest. We don't have party congresses for ideological discussion. The Republicans agreed on some ideological content in 1964, and it didn't meet with overwhelming approval from the American people. Similarly, where the Democrats had the same experience with McGovern, last year, they suffered the same fate at the polls.

There has seldom been any great departure, except in times of great stress—Roosevelt after 1932—but even then Roosevelt was elected by trying to be more Republican than Hoover: he was going to cut expenses, and we were going to try to collect money from those nations in Europe that hadn't honored their World War I debts. Of course, the realities turned him about very quickly. It was the fact that people were marching the streets and were out of work that produced the change, not so much his ideological appeal to the people.

NAOMI BLIVEN. Are you interested in pol-

itics in Italy, even though you visit there as a private person?

MARCHI. Oh, I am. I get immersed in it. It's the difference between having a two- and a three-dimensional photograph, where you begin to see things in perspective.

NAOMI BLIVEN. When we talk about the fact that we don't seem to have hard-and-fast ideology in American politics, and that Europe seems to have more...

MARCHI. Yet we *have*. We have it in the really deep institutional sense, both we and the British. But we don't let it interfere with the resolution of day-to-day problems.

NAOMI BLIVEN. Do you imagine Italian politics being able to coalesce into a two-party system?

MARCHI. Not unless it were restructured. We have the single-seat constituency, so the person who gets the largest number of votes is the one who gets elected. This tends to winnow down to two alternatives: those who are in and those who would like to be in. It is possible, in structuring your form of representation, to compel this either-or situation. France has gone over to this in great measure, the choice is now between the Gaullists and the non-Gaullists. In Italy, the Christian Democratic party is an anomaly, because it was put together to oppose a Communist alternative—a sort of catchall—and this is why they have so many problems in the Christian Democratic party. They are a mass party, as are the Republican and Democratic parties in this country.

The Andreotti government has within it today the Socialists—those who are aligned with the Western nations—as well as the Christian Democrats. It has the Republicans, who have hardly any reason to exist any more because Italy is a republic, and the Liberals, who are business oriented. These center parties just give the government a bare majority. There are those within the Christian Democatic party who feel that the Andreotti coalition is too fragile and who would rather go to the Left, feeling perhaps that the Communist party is sufficiently bourgeois so that it is not thinking of blowing up all democratic institutions.

NAOMI BLIVEN. Everyone makes the point that West European Communists since Czechoslovakia have perhaps gotten over their infatuation with the Soviet Union.

MARCHI. There's a wide range even within the satellite countries. In some you still have private ownership of land; in others you even have a measure of business flourishing. Others are more orthodox with respect to Marxist theory—Bulgaria, for example. I suppose it is the same thing that happened within the Church, to some extent—a nationalization of a spiritual patrimony that then is broken down into national components that acquire their own national characteristics. We don't know what would happen in the satellite nations but for the pressure of the Soviet military. I don't think they would automatically swing into some kind of democratic, capitalistic orbit.

On the other hand, looking down the long tunnel of history, how do we know a hundred years from now just how far the so-called state capitalists, moving and responding to social changes, which seem to ignore geographical boundaries, might move in our direction—with the same thing happening to us? The Communists, on a very rational plane, felt that they ought to organize farming on an industrial basis—that's what they were really saying. So they went about it, and they had their miseries, and they still have 40 percent of their people trying to raise food—and their effort is insufficient for the total population. We, on the other hand, serve what we like to believe is a private-enterprise system—industrial development of land. And our big producers of food, perhaps, are closer to the Soviet collectives—in substance, I mean. [Laughs.] These are the curious things. Economics and so many other factors impose their own disciplines.

BRUCE BLIVEN. Are we speaking about the lack of clear definition in this country as a rather sad thing?

MARCHI. Well, no. I just say it's a fact of life, it just puts a little extra burden on us to define better.

BRUCE BLIVEN. Quite hard, I think, especially on a man who is running for office and wants to explain himself.

MARCHI. This is the big problem. During the mayoral campaign, I'd get on a program and they'd say, "Mr. Lindsay, Mr. Marchi, will you please make a statement on the financial problems of the city of New York—in two minutes?" Now how in heaven's name could he or I talk to the economic problem of New York City in 120 seconds? The people who were trying to advise me said, "You've got to hit the high spots. People are paying too much in taxes! Business is running out of the city Bing, bing, bing, bing!"

It was not that I have difficulty making up my mind. I have made a lot of what I think have been very difficult decisions—on school restructuring, and the like. It's not that I am afraid to make the decision, but why should we indulge in such gross intellectual violence? We wouldn't tolerate the quick cliché in ordinary discussion. Things ought to be simple, but they're not. Happily or unhappily, we are trying to measure concepts of distributive justice and concepts that will generate well-being, and there are a lot of intangibles, variables—life is complex. What can you say in 120 seconds? There is a violence done by those gross oversimplifications.

BRUCE BLIVEN. Perhaps we've come to an essential part of conservatism: refusal to indulge in gross oversimplification.

MARCHI. It means many things to many people, but in that sense I would be a conservative.

BRUCE BLIVEN. I didn't mean to force you into labeling yourself.

MARCHI. I don't know. I might be classified a conservative in terms of my own personal life style. I believe in God and I believe that there is a hereafter. I also believe that we are subject to a moral law capable of some definition . . . It becomes more difficult as you go away from the Ten Commandments and get down to...

NAOMI BLIVEN. The finance bill.

MARCHI. Right! Or whether you are going to vote for a striped-bass bill. The dilemma of human existence, the problem of being and nonbeing—this is something that has plagued man since Adam and Eve—and I have a feeling that my challenge, and the right I have to select among good things, morally, is a premise of the human condition, of human existence.

NAOMI BLIVEN. Perhaps the distinction isn't really political but theological: between people who believed in original sin and people who believed in the perfectibility of man.

MARCHI. You are getting into something here that interests me personally. Whether this is something that matters to the voters or not, I don't know. As we make our choices in life, I think that our options are for choices that are morally good. This is very difficult. You have to have a spiritual content, because spirituality is a fact, and it's almost unscientific not to take it into consideration when you are considering man. There is an added element to the human personality that is . . . well, I'll call it divine. To me, there is something more involved than just what makes us up. The problem with Marxism is Marxist dialectical materialism, which reduces man . . . This also happens with everybody else who has the same materialistic outlook on man but comes out with different theories: the social compact, what is useful. We don't kill each other, because none of us benefits by that . . . Our law, of course, is structured on natural law and divine law. We have crimes that are *malum prohibitum*—things that are prohibited because they are wrong by statute—and *malum in se*—things that are prohibited because they are wrong of themselves, such as killing. Much of our law is structured on the old tradition of *malum in se*. This moral factor is introduced. In the Nuremberg trials, there was an absence of a law that covered the situation—but, I suppose, there was a reference back to *malum in se*.

BRUCE BLIVEN. When you look back in history, do you have any heroes?

MARCHI. I have a gut reaction and sympathy for the person who struggled and perhaps did not come up with the right answer, but I have no conscious models.

BRUCE BLIVEN. I think that George Washington was a conservative.

NAOMI BLIVEN. Although he was a revolutionary.

MARCHI. He was a revolutionary, yet his federal system did not contemplate our type of democratic recourse, except in the most indirect way. He wanted some kind of enlightened aristocracy—good people who would make final decisions on the formulation of government. A remarkable era, because politically I don't think we've had anything stimulating since the Revolution. I mean with Jefferson and Madison and so on. Nothing has happened since. Events have happened—the Civil War—and America has developed, but not that kind of thinking. Oh, and I want to mention a Tuscan who I think had an influence on Jefferson—Philip Mazzei.

NAOMI BLIVEN. They were an enormously cosmopolitan lot, the Founding Fathers. When I read their correspondence, they were discussing, for example, Cesare Beccaria . . .

MARCHI. Ah, yes. *Tratto dei Delitti e delle Pene.* [*Essay on Crimes and Punishments*, published in 1764.]

NAOMI BLIVEN. They had to know what all European thought was, and they were terribly up to date on it.

MARCHI. When we had a vote on capital punishment, I voted to abolish it, of course. I had read Beccaria in Italian—it's just a little thin volume—and I finally located some English copies, and I circulated them to a few of the senators.

I'm against capital punishment, because I think that the state brutalizes itself—an execution only excites and promotes morbid propensities. Furthermore I believe that the certainty of punishment, rather than the severity, is the deterrent.

BRUCE BLIVEN. When you first came to Albany, 20 years ago, did you have a different view of political life?

MARCHI. No, I don't think so. I went to law school because I felt that here was a vast discipline, a tremendous area, that dealt with human beings. As a youngster, I was interested in what other people were doing. And then there is this three-dimensional thing I spoke of. The primary language at home was Italian. So I not only could measure in perspective the significance of words but also could appreciate that you have to look at the rest of the world and see why easy assumptions aren't that easy. I love this work. I think it is the most exciting thing that I could do. You take in the whole range of man—all his problems—heredity, philosophy, everything comes into it.

BRUCE BLIVEN. Were the problems less complex?

MARCHI. I suppose they were less complex. I just see it in terms of the workweek. Here is something that I want to meet, but it's tough, and how are you going to do it?

Sometimes you *cannot* give meaningful answers to people. You really can't tell them why, in the way they deserve to be addressed. Is it my shortcoming? Or isn't there enough time? But since everybody has the problem, it's tougher than it was in the early fifties, no question about it. That doesn't make it less exciting, however.

People have asked, "Why don't you go to Congress?" which to me would be a sort of slow death, sitting around as a freshman congressman. Here, having the opportunity to speak, I have a respectable platform. In Congress I would not be able to make an input—really to see something happen. I see things I've done—maybe some of them are a disaster—but, for weal or woe, they've happened and I've been part of it.

Even when I was running for Mayor, I said I didn't think I'd be as happy had I won as I have been in the work of the state senate, which is small in numbers. Being a committee chairman, I've had a chance to get into a wide variety of things. The Mayor has that chance, of course, in an operative sense. In some ways it is a little tougher. The Mayor has to explain why the snow wasn't taken away. You could do both as in the parliamentary system, where the executive keeps legislative responsibilities, and a prime minister is also a deputy, or a member of Parliament.

BRUCE BLIVEN. State government hasn't been much in the news, what with our city problems and those of the federal executive; it's refreshing to hear you make the point that state government is so satisfactory.

MARCHI. Central government seems too remote. Strictly grass-roots government can sometimes lead to disaster—you know, one-acre zoning. Middle government can conciliate, and I think it has great possibilities. here's an area, a very interesting area, that I feel will be broadened and deepened in the future—an intermediate level of government, that is, state government.

BRUCE BLIVEN. We've enjoyed seeing Albany. We hadn't seen the Mall.

MARCHI. Everybody accuses the Governor (eternally Nelson A. Rockefeller) of having an edifice complex, but actually we seem to have a guilt complex when it comes to spending for anything public. I remember in Staten Island the Parks Department put some flowers in the beds in front of Borough Hall and up in Silver Lake Park, and there were letters to the papers objecting to the waste of taxpayer's money. Yet those same letter writers try to keep their gardens looking nice.

BRUCE BLIVEN. But out of their own pockets.

MARCHI. Yes. So there is this feeling of guilt here about doing anything public. In Milan they rebuilt La Scala before they even tackled anything else. Isn't there something to be said, if it's done right for building a capital? We had a lot of fighting, the same way, about the New York State Council on the Arts—spending money to subsidize something like the Metropolitan Museum of Art, for instance. We ought to have that much presence. If everything has to pay its way, if you can't have educational television unless it pays it own way—well, there must be some accommodation, somewhere, for purely public interest.

We can meet practically all our objectives without depriving or limiting our intellectual horizons. I remember, as a youngster, going to W.P.A. concerts, the Federal theater. I don't know that everything the New York State Council on the Arts supports is good. There may be work that, in 20 years, will look so bad we'll wonder why we did it. It was a mistake. But if you're afraid to make mistakes in government or the arts, that's the end of innovation, the end of creativity.

HOW MANY WAYS ARE THERE TO WASTE DEFENSE DOLLARS?

Mr. PROXMIRE. Mr. President, recently the Department of the Army sent out a news release in the southern California area under an official business stamp and Government-paid postage.

One of these releases was addressed to the Blade-Tribune Publishing Co. in Oceanside, Calif. The envelope was specially marked "Very Important."

Now one might think that this was an announcement of great importance. After all, it was marked "Very Important" and sent under U.S. postage and classified as official business. One might presume that it contained the announcement of a large defense contract for that area or news of a base closing that would affect thousands of employees. Or maybe it contained information about returning POW's.

Mr. President, such was not the case. Let me quote from the lead paragraph from this "Very Important" official business immediate release:

Mrs. Louis Kaufman, wife of the 63rd ARCOM's Commanding General, hosted the Senior Commander's Wives Tea as a prologue to the 63rd Army Reserve Command Dinner Dance. The gathering was held at the Presidential Suite of the Universal Sheraton Hotel in Los Angeles.

It went on to say that wives of other generals from throughout southern California were in attendance and the tea was an informal occasion so that they could get to know one another.

This is what the taxpayers' money is being spent on. Announcements of teas for general's wives. This was the "very important" message which was distributed throughout southern California.

Mr. President, it struck the managing editor of the Blade-Tribune the same way it did me. He immediately wrote back to Maj. Burton Q. Watterson at the Headquarters of the 63d U.S. Army Reserve Command in Los Angeles with a stinging rebuke. Mr. Missett told Major Watterson:

The enclosed release is without question the grossest misuse of American tax funds that we have ever experienced. To mark the envelope "Very Important" was incredulous. We regret misusing the already overburdened mails to return it to you with our objections, but we have no other choice. Please remove us from your mailing list immediately.

How can the Army come to Congress with a straight face and announce that no money should be cut out of their budget because it would endanger national security. Let them explain how this announcement of a tea party contributes to keeping the Nation strong. Let them explain why the Government funds were used for this purpose.

It is only a small example of the waste that goes on at every level of the military and especially at the top. In terms of money, it is very, very small. But it is symptomatic of a greater problem.

Mr. President, I ask unanimous consent that the Army press release and a letter from the Blade-Tribune be printed in the RECORD.

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

THE BLADE-TRIBUNE,
Oceanside, Calif.

Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: As one of the very few champions of the dire plight of the waste of government, I'm sending you the American taxpayer vis-a-vis the budgetary enclosures for your information.

For an Army major to devote his time writing such drivel, or any serviceman for that matter, is simply sheer stupidity.

To mark an officers' wives' tea-party "very important" is adding insult to injury.

Then to use the U.S. mails to deliver such a waste of time and money to all the news media of Southern California, which this no doubt was, is misuse of tax monies, clear and simple.

We've attached Zerox copies of the letter and envelope, as well as our terse reply, for your perusal.

Thank you for your time on this matter, as well as the countless other causes which you have devoted your time in attempting to cut government waste.

WILLIAM J. MISSETT, Jr.,
Managing Editor.

MAJOR WATTERSON: The enclosed release is without question the grossest misuse of American tax funds that we have ever experienced.

To mark the envelope "very important" was incredulous.

We regret misusing the already overburdened mails to return it to you with our objections, but we have no other choice.

Please remove us from your mailing list immediately.

THE BLADE-TRIBUNE.

DEPARTMENT OF THE ARMY,
Los Angeles, Calif.

Mrs. Louis Kaufman, wife of the 63rd ARCOM's Commanding General, hosted the Senior Commander's Wives Tea as a prologue to the 63rd Army Reserve Command Dinner Dance. The gathering was held at the Presidential Suite of the Universal Sheraton Hotel in Los Angeles.

In attendance were wives of Senior Commanders from units throughout Southern California, Nevada, Arizona, and various other locations in the United States. Among those in attendance were wives of, 6th U.S. Army Commander, Lieutenant General Richard G. Stilwell, retired Major General, William J. Hexson, Chief Judge Army Judiciary (Mississippi), Brigadier General Edmond W. Montgomery, Commander of the 311th Support Bridgade, Brigadier General Joseph Rebman, Deputy Assistant to the Surgeon General, Brigadier General Jon Zumsteg, Deputy Commander of the 63rd ARCON, Brigadier Darel R. Sievers, and Captain Mark Smith, a recently released P.O.W. of the Vietnam conflict. Also in attendance was/were ———.

The tea served as an informal gathering so that the many wives could get to know one another more closely.

Planning the event was Mrs. Kaufman. She was assisted by Mrs. Sievers, wife of Brigadier General Darel R. Sievers.

THE LEARNING EXCHANGE

Mr. PERCY. Mr. President, I have been pleased in the past few years to bring to the attention of my colleagues the founding and growth of a unique organization, the Learning Exchange of Illinois. The Learning Exchange has been growing by leaps and bounds in recent months, and I look with pride on the success that Illinoisans Denis Detzel, G. Robert Lewis, and their associates have had with this

innovative concept of person-to-person education and training.

On April 10, 1973, the Wall Street Journal published an article on the birth and expansion of the Learning Exchange. I ask unanimous consent that the article be printed at this point in the RECORD.

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

IN CHICAGO, IT'S EASY TO FIND SOMEONE TO TEACH LION TAMING OR ANYTHING ELSE

(By Terry P. Brown)

CHICAGO—Joan Phillips, a college admissions director here, is learning sign language one night a week so she can "talk" to a deaf neighbor. Mrs. Jessie Sotonoff, a housewife, studies Hebrew so she can speak with her grandchildren when she visits them in Israel. Peter Tasso, a 22-year-old university graduate, meets weekly with a dozen other aspiring writers to discuss their works.

They, and thousands of others in this metropolitan area, are participating in an unusual experiment in education called "The Learning Exchange." It isn't a school with classrooms, grades, entrance requirements or certified teachers—and as often as not there's no tuition. It's a simple design to bring together people who want to teach with those who want to learn. For the price of a phone call or postage stamp, many people are getting access to education they wouldn't otherwise get.

The Exchange's rolls have increased to more than 4,000 participants in less than two years. And the number of people using the Exchange could increase to nearly 20,000 by year-end, its co-founders say. This growth has been stimulated primarily by word-of-mouth and public-service advertising by local media.

GETTING RICH AND TAMING LIONS

An academic commission on nontraditional study recently reported that many of the nation's adults want a different kind of education and a lot more of it than most colleges and universities provide. Most adults aren't getting what they want, however, primarily because of prohibitive costs and a desire not to go to school full-time. "The Learning Exchange is one attempt to meet the needs of those who aren't being served by existing institutions," says Boston's John Holt, educator and author of several books on the ills of contemporary education. "New ways are being discovered to break the monopoly schools have on learning."

In many cities, night schools and local YMCAs offer inexpensive courses for adults, but the Exchange is far more extensive and far less structured. Its latest quarterly catalog lists more than 800 subjects, ranging from traditional ones such as algebra and history and 23 foreign languages to more colorful ones such as bagpipe playing, lion taming, chimpanzee training and male liberation. On the practical side, there's "How to Get Rich," "Income Tax Preparation" and "Holding a Job," which don't have to be taken in sequence.

The Exchange works like this. When a person calls desiring to learn, he's given the names and telephone numbers of those who have registered to teach that subject. The Exchange's operator also tells the caller how the teacher acquired his competence. If a teacher isn't available, the learner is kept on file until one registers. There also are interest group matchings for people who simply want to discuss a subject with others. That's it, as far as the Exchange's involvement is concerned.

SOME TEACHERS CHARGE FEE

It's up to the learner to call the teacher and set up "class" arrangements. About 1,000 groups are meeting in homes, libraries, restaurants or wherever they choose. Most "classes" are small with one or two learners, but interest groups can range up to 15 or more people. If learners get bored or don't like their teacher, they can quit or try to find a more stimulating pedagogue.

Qualifications of teachers vary widely and, although most participants are adults, all ages are using the Exchange. A teen-aged north suburban girl gives flute lessons to students twice her age. A high-school teacher gives German lessons to a chemical engineer and Russian lessons to two young boys. A retired welder, who converted his garage into a workshop, teaches his trade to several young men. "It's the only place in town where I can learn French free of charge," says one enthusiastic user.

About 40% of the teachers charge some fee, but many who charge use a sliding scale based on the learner's ability to pay. When a person calls, the Exchange will tell you whether a teacher charges or not. Fees can range from $1 a lesson to learn English, for example, to $10 an hour for piano lessons. Many participants barter one of their own skills or areas of expertise in order to learn another. Mrs. Phillips gives her sign-language teacher guitar lessons, and Mrs. Sotonoff does typing for her Hebrew professor.

A $25 GRANT

The Exchange was started in May 1971 by Denis Detzel, 26, and G. Robert Lewis, 32, former doctoral candidates in education at Northwestern University in suburban Evanston who call themselves "Ph.D. dropouts from the academic assembly line." Mr. Lewis, who runs the Exchange full-time, says, "In any sizable community, there are skillful, knowledgeable people outside of schools and universities who can teach others." He adds: "We provide a simple way to bring these people together with anyone who wants to find tutors, beat boredom, recover old skills or develop new ones."

The simplicity of the Exchange requires little capital outlay. There are thousands of three-by-five file cards, some well-worn wooden filing cabinets, telephones and donated office space. When the Exchange moved to new quarters recently, the entire "institution" made the trip in a Volkswagen. An initial $25 grant from a Northwestern dormitory lasted for the first six months, but success has led to a full-time paid staff of four and a pressing need to lease a computer terminal for the filing system. Grants of $4,000 each from Quaker Oats Co. and DeWitt Wallace, publisher of Reader's Digest, helped sustain the Exchange in its early going, but Mr. Lewis now projects an annual budget of about $58,000.

"Even at that, our budget is nothing compared to schools that serve as many people," says Mr. Lewis. "In fact, we hope to be self-supporting at the end of three years by relying on contributions from our users." Services of the Exchange itself are free. Mr. Lewis, who made a spartan $2,000 last year while running the Exchange, would like to boost his salary to at least $11,500 a year. Mr. Detzel recently took a job in the public-affairs office of an insurance holding company here that pays him over $20,000 a year, and he says, "My job at least assures us that the Exchange will continue."

POWER TO THE PEOPLE?

In the meantime, both men have tried to interest Chicago companies in supporting the Exchange, a registered nonprofit state corporation. Although there have been no incidents, many ask: How do you screen out phonies and socially dangerous people? "We operate under what some may call a romantic and conservative assumption that people are responsible and can act for themselves," says Mr. Detzel. "We never give out addresses, only telephone numbers, and it's up to the individual to call and to decide if the teacher is competent." He adds: "In two years, we've found that people can be held accountable for their own education."

Mr. Lewis and Mr. Detzel say they've received calls from people in several cities asking them to set up exchanges. "Other exchanges have been tried in more than a dozen cities since this one began," says Mr. Lewis, "but most have had trouble because they try to affiliate with a university or try to perpetuate a 'power-to-the-people' ideology that turns off many in the community."

"We've been careful not to allow a certain viewpoint to pervade our catalog, and we only exclude a subject if it's illegal," says Mr. Lewis. "We don't want to create barriers to learning, only make it easier." He thinks the next step for the Exchange will be to tie libraries, community groups and corporations into their information network. The Chicago Public Library, one large life-insurance company and the city's Catholic schools have already distributed many catalogs.

CONGRESS MUST INSIST ON FULL SUPPORT FOR HEALTH PROGRAMS

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of Senators that, in hearings before the Subcommittee on Consumer Economics of the Joint Economic Committee last week, the Assistant Secretary for Health admitted that there is no new increased support in the 1974 budget for health programs.

The administration's previous claims of increased support for health care are, in fact, due mainly to three factors:

First. Expenditures will increase by about $3.1 billion. These cost increases are required by present law, and do not represent new commitments or requests.

Second. Community Mental Health Centers are scheduled to be phased out over the next 7 years, but the 1974 Budget includes enough money to cover the entire phaseout operation. There is some $600 million in the 1974 budget which will not be spent in 1974, but will be spread out over 7 years.

Third. In the reorganization of OEO, several programs were transferred to HEW. Accompanying the transfer of programs was a transfer of over $100 million to HEW. This is not new money, it is just money that has been shifted from one account to another.

All of this adds up to one thing—no new dollars for health in the 1974 budget. If we examine the authorizations to see what to expect in the future, the requested authorizations for health programs go from $4.6 billion in 1972 to $4.1 billion in 1973 and to $4.3 billion in 1975. The minimum commitment revealed by these budget requests are disturbing on their face, but if we look at the health budget in real purchasing power terms, these administration requests are shocking. Assuming that only a 5-percent rate of inflation continues, we would need to authorize $742 million more than the budget asks in 1973 and $797 million more in 1974 just to maintain the 1972 level of Federal support for HEW health programs.

Mr. President, Assistant HEW Secretary Charles Edwards displayed candor in discussing these facts before the Subcommittee on Consumer Economics. I ask unanimous consent to print in the RECORD two articles from the Washing-

ton Star News and the New York Times discussing this testimony.

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

[From the Evening Star and Daily News, May 17, 1973]

HEALTH SPENDING LID ON

(By Judith Randal)

Short of Medicare and Medicaid, over which it has no control, the Nixon administration has admitted that spending for health programs will not increase in the coming fiscal year, as it has previously claimed.

The admission was wrested from the Department of Health, Education and Welfare by Sen. Hubert Humphrey, D-Minn., at a hearing yesterday of the Senate subcommittee on consumer economics.

Humphrey conceded to Dr. Charles C. Edwards, assistant secretary for health, that spending for Medicare and Medicaid will rise.

But these costs, like those of old age and retirement benefits, are beyond administration control, Humphrey pointed out.

Thus, when health programs other than those that involve insurance benefits to the elderly, disabled and indigent are excluded, the Nixon budget would result in a decrease rather than an increase in spending for programs such as health manpower training, biomedical research and hospital modernization.

Edwards admitted that—Medicare and Medicaid apart—federal health spending planned for the coming fiscal year does not include any extra money if the Nixon budget holds firm. And he also agreed that inflation will cut into the purchasing power of available dollars.

But Edwards defended the administration's stringencies on the ground that despite the more than $80 billion a year the nation is spending on health, "the delivery of health services is no better now than it was 10 years ago and the health manpower situation is no better either. . . . We haven't developed any effective health strategy," he said, adding that HEW is trying to do so now.

Humphrey, chairman of the consumer subcommittee, applauded this goal, agreeing that the nation's health care system is "obsolete and scattered . . . and (bears) no relationships . . . to what people need."

But in his view, he added, the administration's plans are little better since they are "prepared in the catacombs or cocoons of the federal Office of Management and Budget and they don't talk to anyone" to find out what the real needs are.

Humphrey was particularly critical of administration plans to cut spending for medical, dental and nursing schools which, the schools claim, will force them to dismiss faculty, curtail programs and enrollments and, in some cases, to close.

Edwards, while sympathetic to these difficulties, said there is a real danger that medical education, as the most expensive kind of education, "will price itself out of the market." He also charged that medical schools have in some instances been guilty of "misusing and abusing" federal funds.

In this context, another HEW witness, Stuart Altman, deputy assistant secretary for health planning and evaluation, said some schools have more electron microscopes and other costly research equipment than they need and many are less than stringent in how they account for the expenditure of funds.

Humphrey also took issue with a proviso in the Nixon budget to end federal expenditure for construction or modernization of health facilities in June. While private capital for these purposes is available in some instances, he said, it is hard to obtain in inner-city neighborhoods, rural areas and small towns.

In these places, where the need for health care and health facilities is great, he said, it is not realistic to expect local resources to provide the funds. Multinational corporations, he pointed out, account for some $200 billion of the nation's annual gross national product and under current laws are most effectively taxed at the federal level, although they enjoy loopholes there, too.

"Do you want to raise the taxes (to provide health facilities and health care) on Exxon or Fred Swanson, on corporations or on Grandpa, aged 65?", Humphrey said. "That's what the economics involved in cutting these health programs are all about."

And ultimately, he added, all the weaknesses in the current health system point to the need for a comprehensive national health insurance plan. Agreeing, Edwards said the administration plans to have a plan ready to present to Congress "sometime this summer."

[From the New York Times, May 17, 1973]

U.S. AIDES CONCEDE HEALTH FUND CUTS—ANGRY HUMPHREY ELICITS ADMISSIONS ON BUDGET

(By Richard D. Lyons)

WASHINGTON, May 16.—Using angry questions and fist pounding, Senator Hubert H. Humphrey wrung from top Federal officials today an admission that most national health programs would not get more funds in the next budget, despite Nixon Administration reports to the contrary.

Administration leaders have repeatedly stated that health programs are due to sizable increases in budget for the fiscal year 1974.

But after plodding through dozens of statistics in a variety of health programs in past, present and future budgets, Mr. Humphrey, a Minnesota Democrat, asked at a Congressional hearing, "so there isn't all that vast increase?"

The main witness, Dr. Charles C. Edwards, the ranking Federal health official, answered, "You're correct."

Dr. Edwards, Assistant Secretary for Health of the Department of Health, Education and Welfare, was one of 10 witnesses who testified in two days of hearings on medical costs that were held by the Consumer Economics Subcommittee of the Joint Congressional Economic Committee. Senator Humphrey is chairman of the subcommittee.

Other witnesses deplored reductions in Federal funds for medical, dental and nursing schools, increases in out-of-pocket expenses by beneficiaries of Medicare and Medicaid, elimination of hospital construction money, and a lack of national health strategy.

ANGER AT REDUCTIONS

Senator Humphrey's line of questioning, and frequent emotional outbursts, reflected the anger of some Congressmen of both parties in both houses over what they consider to be unnecessary reductions in the scope and funding of Federal health programs.

They are demanding at least, the restoration of funds to the same level of the 1973 budget, especially for the training of doctors and nurses and the operating of schools for that purpose.

At one point today, Senator Humphrey demanded that the Department of Health, Education and Welfare live up to an agreement made with the University of Minnesota Medical School two years ago to increase student enrollment.

Mr. Humphrey and university officials said that the department had asked the school to increase its enrollment, which the school did, becoming the nation's largest. But part of the deal involved a $12-million Federal grant to the school, which was promised, then withdrawn, according to the Senator. Now the school is unable to pay its increased expenses.

Pounding on the table for emphasis, Mr. Humphrey said, "I can't sue the Government [to get the money] but I can harass."

Department officials said they were seeking to find sources of extra funds to support Minnesota and other medical schools in serious financial trouble.

COLLEGE TROUBLE CITED

Dr. John A. D. Cooper, president of the Association of American Medical Colleges, told the subcommittee yesterday that a survey of member institutions had shown many in serious financial trouble because of a reduction of 15 per cent in Federal funds for next year.

This translated, he said, into a reduction in the size of entering classes at a time when the nation needs more doctors, layoffs of faculty, and a reduction of medical service programs in rural and slum areas.

Dr. Karen Davis of the Brookings Institution in Washington also testified that the Administration proposes to increase out-of-pocket costs of beneficiaries of Medicare and Medicaid, the elderly and the poor, "at a time when medical costs are rising." She estimated that out-of-pocket expenses for a person hospitalized for 30 days under Medicare would, under the proposed changes, rise from $84 to $400 if they were to go into effect.

Glenn Wilson, Associate Dean of the University of North Carolina School of Medicine, complained that "in the absence of a comprehensive national health policy this country is unlikely to restrain the costs of health care or to make quality care accessible and available in its most appropriate form to every citizen as a right."

Mr. Humphrey's line of reasoning in challenging assertions that the health budget had gone up was that increases included Medicare and Medicaid, services mandated by law, and one mental health program that is being spread over 10 years with funds appropriated in one year.

"And you haven't taken inflation into account," he said, implying that the real amount of money to be spent next year—in terms of constant dollars—would actually be less because health care costs have been rising recently at a rate of 5 per cent a year.

ARMY "BUYS" HOUSE DEFENSE APPROPRIATIONS FOR NEXT 9,000 YEARS

Mr. THURMOND. Mr. President, in the May 1973, issue of the Armed Forces Journal International there appeared an article entitled, "Army 'Buys' House Defense Appropriations for Next 9,000 Years."

This article takes note of the fact that an Army study entitled WHEELS has resulted in a long range savings of $313.1 million in acquisition costs and about $57 million annually in procurement funds.

The Army is to be commended for this study and the other services should be taking similar steps in an effort to get the maximum for the defense dollar.

In this connection, I have written Defense Secretary Elliot Richardson pointing out that it is my belief costly and uncoordinated efforts are developing in the armed services in the area of medium range weapons.

Further, I have reason to believe that some ongoing research and development

programs in this area are proceeding in advance of, or contrary to, effectiveness studies and formal requirements.

The Defense Department, and particularly those responsible for research and development, must be aggressive in eliminating unnecessary duplication in the area of medium range weapons as well as other defense programs.

Mr. President, I ask unanimous consent that the article on the Army WHEELS Study be published in the RECORD at the conclusion of these remarks.

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

ARMY "BUYS" HOUSE DEFENSE APPROPRIATIONS FOR NEXT 9,000 YEARS

Savings from a new procurement system for Army wheeled vehicles will pay the salaries of the 11-member House of Representatives Defense Appropriations Subcommittee for the next 9,000 years. The blunt "admission" that the Army has "bought" the subcommittee came at AFJ press time from Representative William E. Minshall (R-Ohio), third ranking Republican of the Congressional panel.

Minshall revealed a "long range savings of more than $4.5 billion" in Army wheeled vehicle life cycle costs over a 12 year period as one result, he said, of an overall review of the Army truck program begun in October of 1970 at the behest of his subcommittee. (The panel urged the Army in 1971 to buy more off-the-shelf commercial vehicles which could be modified for military use rather than "continuing the costly method of designing [most all] trucks to military specifications.")

Initial procurement savings of more than $1 billion, Minshall noted, will come in Fiscal Years 1973–1978 from a 25% cutback in the Army's wheeled fleet vehicle requirement. The cutback stems from the Army's WHEELS Study Group recommendations (December AFJ) which result, the Congressman says, from his panel's earlier "prodding."

The Army's wheeled vehicle fleet at present consists of roughly 600,000 trucks and trailers and absorbs 6% of the total Army budget in terms of acquisition and support. Between 1966 and 1971, there have been 16 major studies of how to manage this fleet more efficiently.

As a result of the WHEELS study, Department of the Army says, it will substitute about 17,223 commercial vehicles for tactical vehicles and reduce its net acquisition objective for wheeled vehicles by over 31,700 tactical wheeled vehicles and 11,349 trailers. This will save $313.1 million in acquisition costs and about $57 million annually in procurement funds.

Net result of the new "mix," according to the study, will be a shift from 317,167 tactical and 78,713 commercial vehicles (80% tactical, 20% commercial), the requirement implicit in the Army's FY 73 budget submission, to a new program of 162,016 tactical and 132,745 commercial vehicles. The latter represents a 55% tactical—45% commercial mix and a 25% reduction in overall requirements. Of the tactical requirements, moreover, 42,883 vehicles will be commercial substitutes.

The Army is now staffing a proposal to create a "single Army contact point" for all wheeled vehicle activities. The study noted that "although annually costing more than aviation or any weapons system, management of wheeled vehicles is fragmented throughout the Army staff."

SENIOR CITIZENS MONTH

Mr. PERCY. Mr. President, May is Senior Citizens Month. All across the Nation Americans of all ages are joining together to observe this year's theme of "Older Americans in Action."

In his proclamation President Nixon took note of this theme.

He said:

It points our attention to the basic fact that most older people are not mere onlookers in our society—nor are they society's wards. They remain vital, versatile, and highly valued contributors to the quality of American life.

We have a great resource in our senior citizens, a resource which all too often remains untapped. I believe we must continue to find ways of expanding the options available to older people to make significant contributions to the life of their community and their country.

In addition, we must continue our efforts to provide the elderly with the means of living their golden years in dignity and independence. We have made great progress in recent years, largely because of the involvement of the elderly themselves, but we have not yet reached this goal.

We are closer, this Senior Citizens Month, to providing the elderly with an adequate income under social security, but inequities remain in this system which must be eliminated.

We are closer, at long last, to appropriating funds to implement the new nutrition program for the elderly, but we face the paradoxical situation of assuring adequate nutrition to a few of the elderly through this effort while perhaps jeopardizing the nutritional status of many more by removing their eligibility for food stamps.

We are closer to the delivery of a comprehensive and coordinated set of social services to the aged because we passed and the President signed the older Americans comprehensive services amendments, but discrimination against the elderly still exists in far too many aspects of daily life.

We cannot allow the significant progress of the past several months to slow the growth of senior power. If we are to be able to point to still greater progress a year from now, then the elderly must maintain and increase their involvement in politics and government.

Mr. President, I want to take this opportunity to salute all older Americans during this, Senior Citizens Month.

THE GENOCIDE CONVENTION—ARTICLE III

Mr. PROXMIRE. Mr. President, article III of the International Genocide Treaty has become a point of controversy in the move toward ratification. Included in that article is mandatory punishment for acts of "direct and public incitement to commit genocide."

Critics of the convention argue that such an agreement by the United States would result in an abridgment of the right to free speech, the cornerstone of the Bill of Rights. Since the days of Oliver Wendell Holmes and the "clear and present danger" doctrine, the question of incitement and unlawful expression has been heatedly debated by constitutional experts. As a result, a detailed code of legal interpretation has developed to protect both the individual and society.

The question now is whether or not American ratification of the Genocide Convention would violate that code and thus be unconstitutional. If so, then ratification would be impossible, for no treaty in conflict with the highest law in the land is permissible. But as I have mentioned on an earlier occasion, no conflict exists. For if we exchange the word "genocide" with murder, or any other crime, it becomes apparent that incitement toward criminal action is already illegal and not protected by the first amendment.

The Bill of Rights was designed to protect the individual from the whims of a changing society, but it was also constructed to protect society from the malice of individuals. The Genocide Convention's ban against incitement to commit genocide represents a necessary safeguard for society without violating the right to lawful free speech.

With this certainty and in the hope of a less violent world community, I ask the Senate to take up immediately the question of the Genocide Convention and ratify the treaty.

EXPANSION OF FOREIGN TRADE

Mr. HATHAWAY. Mr. President, one of the critical issues facing the country at the present time is how to handle the expansion of our foreign trade. A particularly troublesome question is dealing with the severely adverse effects the growth of imports have had on certain of our industries. This problem is especially acute in my State of Maine, but is also causing serious economic dislocations in other sections of the country. Several weeks ago, I delivered a speech in Lewiston, Maine, on this subject which discussed this situation from a New England perspective. Because this issue—how to spread equitably the costs as well as the benefits of expanded foreign trade—is so important, I would ask unanimous consent that the text of this speech be printed in the RECORD.

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

SPEECH BY SENATOR WILLIAM D. HATHAWAY, LEWISTON, MAINE—APRIL 19, 1973

This afternoon I would like to briefly discuss a subject of critical importance—the subject of foreign trade, both as it relates to our national economy, and, more specifically, as it relates to the economy of Maine. Obviously, with a topic this broad, I must limit, in some way, the scope of my remarks. What I would like to do is very briefly outline the benefits which I see as accruing to our national economy from an expansion of foreign trade. Secondly, I will discuss some of the disadvantages which have been generated by the development of foreign trade over the past two decades. Finally, I hope to outline what I see as the relationship between foreign trade and the economy of Maine with some suggestions for minimizing foreign trade's negative effects on our state.

First then, why do we engage in foreign trade? What advantages does it hold for us as individuals or for our national economy? Many feel that the expansion of foreign trade which began with out reciprocal trade programs in 1934 has been one of the major contributors to the unprecedented economic expansion that has taken place throughout the world over the past twenty-five years. International trade has created the markets for the expansion of American technology into every corner of the world. This has led to the tremendous growth in the industries in this country which pay our highest wages, like automobiles, computers, and, until recently, electronics. The expansion of foreign trade has also led to lower prices for many goods for the American consumer. One of the mainsprings of our free enterprise system is competition and competition from foreign goods has in many cases led to an improvement in the quality and a lowering of the price of American made goods.

In an ideal economic system, each trading unit is operating at its maximum of efficiency and productivity—in other words, everybody would be doing that which they could do best. The meshing of these differing capabilities makes a viable economic system. A good example of this is the relationship between a lawyer and his secretary. If a lawyer is doing his own typing, he is acting inefficiently because he could make 25 dollars for every hour he puts in lawyering while he would only have to pay 5 dollars an hour for a typist. Therefore, every hour he spends typing is an economic loss to him of $20. (Anecdote here about pay of lawyers in 1953 would be appropriate). This same principal holds true in the international field—having our people in low paying jobs in direct competition with identical industries in foreign countries is inefficient and unproductive. Given the capacity of our economy, based upon our advanced state of technology, education, and business sophistication, a fixation on the retention of these weak industries turns us into a nation of lawyers doing our own typing.

This observation, I should note, points up the importance of education both academic and vocational, to our society. Not only are the beneficiaries of a good educational system better off as individuals, but they make our country a stronger competitor in the world economic system.

It is a fact that, generally speaking, workers in those industries currently being hurt by imports are among the lowest paid in our economy, while, conversely, workers in our exporting industries are among the highest paid. So doesn't it make sense, purely from the perspective of our own self-interest, to move our economy away from these low paying industries and toward those areas which provide greater return, both to the businessman and the worker?

Along this line, a related point should be made: trade must be a two-way street. If we don't buy their textiles, they aren't going to have the money to buy our computers (or lobsters). So it can be seen that foreign trade offers us significant benefits, both as individuals and as participants in a growing national economy.

Unfortunately, however, despite the contribution which lower trade barriers have made to the well-being of the nation as a whole, specific groups in our society have suffered as a result of increased foreign competition. Clearly, this is inequitable. Specific members of society should not be asked to bear the cost of measures which benefit all. Some ways must be found to achieve the benefits of expanded trade while spreading the cost among the nation as a whole. As everyone in this room is surely aware, the negative effects of foreign trade have had an abnormally severe impact upon the state of Maine. This is caused by the nature of the economy of Maine, and for that matter the New England, economy. Our economy has traditionally been based upon the manufacturing of certain consumer items such as shoes and textiles. Unfortunately, these are the very industries which have been hit hardest by the influx of low priced foreign imports. To make matters worse, in many parts of Maine, these industries are located in small towns where the entire local economy is based upon one rather shakey plant representing a generally weak industry. Add to this situation the fact that many of the high wage industries have so far avoided setting up operations in Maine, and it's easy to understand why the people of Maine hold a pretty dim view of the benefits of foreign trade.

Given this as the situation in our state, it is the obligation of those of us who are interested in Maine's future to discuss solutions to this problem both of a short and long run nature. Short term solutions to the problem can involve what has come to be known as adjustment assistance coupled with temporary restrictions on trade. The long range solution however, must involve the development of an alternative economic base in Maine which can pick up the employment slack when and if the weaker shoe and textile firms finally go under.

The theory of adjustment assistance is to provide help to those individuals and firms who are affected adversely by foreign trade. The assistance presently takes the form of extended unemployment compensation payments, moving and training payments and other such aid to the workers affected. It is generally recognized that the present adjustment assistance program has two serious administrative defects. First, it is exceedingly difficult to qualify for the assistance. Secondly, the assistance which is provided is slow in coming and is meager in amount and quality when it does arrive. Under the current law, in order to qualify for trade adjustment assistance the worker or firm must show that, first, increased imports are the major, that is the single most important, cause of domestic injury and, secondly, these increased imports are the result of a tariff concession or other trade agreement. Because of the difficulty of meeting these two requirements very little adjustment assistance has been provided over the years that this legislation has been on the books. In view of the obvious damage done by imports to many of our domestic industries, I think a more realistic approach to adjustment assistance is called for. If such an approach is not embodied in the President's trade bill, I intend to propose that workers qualify for adjustment assistance if it can be shown that the increased imports have contributed substantially to the domestic injury, even if they are not the primary cause of the difficulty.

Furthermore, I believe that the requirement that increased imports be shown as a direct result of tariff concessions or other trade agreements should be completely dropped. In addition to liberalizing this so-called "trigger" mechanism in the law, realistic amounts of money should be made available to people who qualify for this assistance. It is a cruel joke to create an adjustment assistance program which is not funded adequately enough to provide any real help to those people whose lives have been disrupted by a foreign trade policy which is of general benefit to all of us.

Adjustment assistance, as we have known it, is being phased out under the President's recent trade proposals. On the one hand, the President is asking that the qualifications be loosened up, along much the same lines I have suggested. But the President also states his intention of eliminating the program when a new national system of unemployment insurance is established. I am opposed to this development because it removes the focus of this program from those unemployed because of imports and "folds" them into a much larger, and probably less effective, system. Government action in the form of freer trade policies create very real hardships for a fairly narrow class of workers and I believe government action specifically aimed at helping those workers should be required. My experience with government programs makes me suspicious of the more generalized approach advocated by the President. I intend to fight for the reinstatement and expansion of the program, because, even with its present weaknesses, adjustment assistance does offer a vehicle for shifting the economy of a given area onto a more productive and stronger footing.

In order to perform this function, however, adjustment assistance must become a broader and more imaginative concept than it heretofore has been. As presently structured, the program has been a kind of economic band-aid offering little real hope of economic adjustment. Union leaders, in fact, scornfully refer to the program as "burial money."

My proposal is not only to ease the qualifications restrictions, as I have previously mentioned, but also to expand the concept so adjustment assistance can offer realistic help with the underlying economic problems.

What I am proposing is an entirely new program of adjustment assistance to the communities which are dependent upon firms damaged by foreign competition. This would be a concrete step toward enabling these communities to actually adjust their local economies to the losses caused by the decline of a local industry. This community adjustment assistance would be directed especially into those communities which are unusually dependent upon a single affected industry. In other words, the closing of a shoe shop in the Boston area would not have the same impact on the local economy as the closing of a shop in Skowhegan or even Augusta and the aid should be focused on those areas where the impact is the greatest. This assistance could take the form of planning, utilities construction and other types of economic development grants and long term loans which would enable the community to compete effectively for their share of new and expanding industries. This adjustment assistance to communities concept is particularly important in a state such as Maine because of the nature of the work force in the shoe and textile industry. In the first place, women make up fully ⅔'s of the work force in the shoe industry. Obviously, they are less able because of family ties to pick up and move to a new area of the country if employment falls off in a local shoe shop. Secondly, the work force in the shoe and textile industry is relatively older than workers in other parts of the national economy. These two factors taken together make for severe limitations on the mobility of workers who are being displaced by the decline in our Maine industries. I feel that adjustment assistance to communities could be a very significant departure from past governmental practice in this area and might slow the trend toward greater and greater concentrations of people in our urban areas.

It also should be of significant assistance to Maine and I intend to exert every effort to see that this concept is embodied in the trade legislation which will emerge from this Congress.

In addition to some kind of adjustment assistance, trade restrictions on imports do have some role to play in any scheme for revitalizing our state's economy. No matter what revitalization plan we come up with, its implementation will take time, and some limited form of restrictions will be necessary to provide the protection required to preserve our economy during the adjustment period.

The question with regard to trade restric-

tion as a protection for some of our industries is whether to use tariffs or quotas. I believe that quotas in the particular case of shoes are probably the most realistic and helpful method to utilize. A tariff would have to be so high to adequately protect the shoe industry that it would, in effect, turn into a quota. Granted this, the question then becomes how to determine the size of the quota. Past proposals in this regard have simply chosen some arbitrary figure for example the amount of imports in a given year, as a base for the quotas. I feel that some more rationally based standard can be developed such as one which takes into consideration the wage levels of workers in the foreign country seeking the quota. Thus, foreign industries with wage levels closer to ours would be preferred over those which choose to blatantly exploit their workers.

Thus far I have been focusing primarily on short term goal of protecting our industries and workers. But as I mentioned previously the only long term solution is to shift the focus of our economy away from industries such as shoes which are both low paying and vulnerable to foreign competition and towards industries which will pay our people more and provide a more stable base for the economy of the state. One concrete suggestion along this line is the adjustment assistance to communities which I mentioned above. It should be mentioned in this context that the Economic Development Administration, which is being phased out by President Nixon, set out to perform a very similar kind of task. Without going into detail about the weakness of EDA, I think it can be generalized that its primary problem was trying to do too much with too little like so many programs of this type, what should have been a highly intensive program focused on limited areas became through the push and pull of budgetary politics a shotgun type program which really didn't provide the concentration on an area necessary to do something about real problems of economic development. My suggestion for community adjustment assistance is a kind of refocusing of the EDA concept on those areas which have industries adversely affected by foreign competition.

Beyond this suggestion there are several possibilities which bear investigation. I should warn you however that this is a major area of study and I am finding that it is one in which there are very few clear and authoritative answers. With this in mind, let me outline several of the alternatives which I am studying and which I hope you will be willing to discuss with me at the conclusion of my remarks.

Basically, it seems logical that we should be looking into some methods of encouraging the expansion of our national economy into areas which have theretofore been out of the economic main stream. I should emphasize here that I am not advocating stealing an industry from another area of the country, but merely trying to divert the expansion, which amounts to about 6% of our GNP a year, into areas such as northern New England. It should be noted that what I am suggesting does not in any way necessarily imply environmental degradation of our state. What I am talking about is simply replacing present low paying industries with ones which pay more and provide a more stable local base. We don't need more people—simply better jobs for the people we have.

Some of the possibilities for encouraging this development include, first, a policy of the Federal Reserve Bank which would provide capital at lower cost in areas of economic weakness then in other areas of the country. This recognizes the fact that one of the basic problems in any underdeveloped area, whether it is Maine or Nicaragua, is a lack of capital. Since the monetary policies of the Federal Reserve system affect in significant ways the supply of this precious commodity, it seems logical that these powers could be exercised in such a way so as to increase the availability of capital in certain specific areas which are lagging behind national patterns of economic growth. I should add parenthetically at this point and all of the suggestions which I mention are in use in some form or another in other areas of the world. Most of the European countries have some kind of programs for encouraging industrial sites in economically weak sections of their countries.

Another possibility is the use of anti-trust policy in a way so as to offer a high incentive to the major American corporations to establish branch facilities in areas of economic weakness, such as Maine.

Another possibility along this line, but one which I do not have much enthusiasm for, is the use of tax policy to encourage industrial location in under-developed areas. If we decide to go this route, I would prefer a system of outright grants rather than the kind of hidden subsidies that are created by so-called tax incentives. Finally, we might consider some variation on the Scandinavian permit system where corporations are only allowed to build new facilities in certain areas of the country. This might seem the most extreme possibility, but might also offer the best long term hope of creating an equitably distributed economic system. This result would also have the advantage of halting the tendency towards the concentration of our population which has detrimental side effects both in terms of the human cost of overpopulation of certain areas and possible strategic disadvantages of having our economy overly vulnerable to attack by a foreign enemy.

This is by no means an exhaustive list, but should provide us with some food for thought. Of course, there are other avenues which must be pursued when discussing the economic development of an area such as Maine. Our transportation facilities are of critical importance as well as the training of our people. Fundamentally, however, it seems to me that in order to hold our people at home and provide them with a decent standard of living we must find some way to bring new and higher paying jobs into our state.

In the last analysis, what we are talking about is the preservation of non-urban America. Unless serious thought is given to this problem—which is the obvious result of continuous economic concentration, our people will be forced by economic necessity to move to the great urban and suburban areas of the nation. Foreign trade, and the problems it raises in Maine is only one aspect of this larger question. Perhaps it is futile to fight what appears to be the tide of economic history; but I cannot accept the alternative of standing by and watching our towns and small cities—and, in fact, our rural states, such as Maine, turn into wastelands.

Mr. HATHAWAY. Mr. President, I have prepared legislation which would amend the President's trade bill along the lines suggested in this speech. Although the trade legislation may not be before this body for some weeks, I would like to insert my proposals in the RECORD at this point as they would appear in the context of the relevant sections of the President's bill. Existing provisions in the President's bill appear in italic. I earnestly invite the attention and comments of my colleagues to these proposals, and ask unanimous consent that the text of these amendments be printed at this point in the RECORD.

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

Sec. 202. Presidential Action After Investigations.—(a) After receiving a report from the Tariff Commission containing an affirmative finding that increased imports have been the primary cause of serious injury or threat thereof under section 201(d) with respect to an industry, the President shall—

(1) provide import relief for such industry in accordance with section 203; and

(2) direct the Secretary of Labor to give expeditious consideration to petitions for adjustment assistance for workers in the industry concerned.

(b) If the Tariff Commission is equally divided as to its finding under section 201(b), the President shall make his determination whether to provide import relief within sixty days. If the President determines not to provide import relief, he shall immediately submit a report to the House of Representatives and to the Senate stating the considerations in which his decision was based.

(c) The President may, within forty-five days after the date on which he receives an affirmative finding of the Tariff Commission under section 201(b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall as soon as practicable but in no event more than sixty days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of subsection (b), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission.

(1) provide an increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry; or

(2) suspend, in whole or in part, the application of items 806.30 or 807.00 of the Tariff Schedules of the United States with respect to such article; or

(3) negotiate orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of the article causing or threatening to cause serious injury to such industry; or

(4) take any combination of such actions.

(c) Import relief provided pursuant to subsection (a) or (b)

SEC. 203. Import Relief.—(a) Import relief pursuant to section 202 shall include, inter alia, limitations for a period of not to exceed five years on the total quantity of such articles produced in any foreign country which may be entered during any calendar year. The quantity of such articles which may be entered from each foreign country shall be determined as follows:

(1) the quantity shall not exceed the average annual quantity of such article produced in such country and entered during the calendar years 1965 to 1969, except that (A) such quantity may be increased to the extent that the average standard of living of workers employed in manufacturing in such country has increased since the end of calendar year 1969 relative to the average standards of living of workers employed in the manufacturing in the United States. (B) Average standards of living for the purposes of this chapter shall be established by the United States Tariff Commission on an annual basis in consultations with such other governmental and non-governmental agencies as the Commission determines are necessary to make such determinations.

(b) In addition to quantity limitations, the President may provide other import re-

lief, and shall, to the extent and for such time (not to exceed five years) that he determines necessary to prevent or remedy serious injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question—shall *become initially effective no later than sixty days after the President's determination under section 202 to provide import relief, except that the applicable period within which import relief such be initially provided shall be one hundred and eighty days if the President announces at the time of his determination to provide import relief his intention to negotiate one or more orderly marketing agreements pursuant to subsection (b)(3) of this section.*

(d) *In order to carry out an agreement concluded under subsection (b)(3), the President is authorized to issue regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out one or more agreements concluded under subsection (b)(3) among countries accounting for a significant part of United States imports of the article covered by such agreements, the President is also authorized to issue regulations governing the entry or withdrawal from warehouse of the like articles which are the product of countries not parties to such agreements.*

(e)(1) *Wherever the President has acted pursuant to subsection (b)(1) or (2), he may at any time thereafter while such import relief is in effect, negotiate orderly marketing agreements with foreign countries, and may, upon the entry into force of such agreements, suspend or terminate, in whole or in part, such other actions previously taken.*

(2) *Any import relief provided pursuant to subsection (b) of this section (including relief provided under any orderly marketing agreement) may be suspended, terminated, or reduced by the President at any time and, unless renewed under subsection (e)(3), shall terminate not later than the close of the date which is five years after the effective date of the initial grant of any relief under this section.*

(3) *Any import relief provided pursuant to this section (including any orderly marketing agreements) shall be phased out during the period of import relief and, in the case of a five-year term of import relief, the first reduction of relief shall commence no later than the close of the date which is three years after the effective date of the initial grant of relief. The phasing out of an orderly marketing agreement may be accomplished through increases in the amounts of imports which may be entered during a year.*

(4) *Any import relief provided pursuant to this section (including any orderly marketing agreements) may be renewed in whole or in part by the President for one two-year period if he determines, after taking into account the advice received from the Tariff Commission under subsection (f)(2) and after taking into account the factors described in section 202(b), that such renewal is in the national interest.*

(f)(1) *So long as any import relief pursuant to this section (including any orderly marketing agreements) remains in effect, the Tariff Commission shall keep under review developments with respect to the industry concerned and upon request of the President shall make reports to the President concerning such developments.*

(2) *Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is nine months, and not later than the date which is six months, before the date any import relief is to terminate fully by reason of the expiration of the applicable period prescribed pursuant to subsection (e)(2), the Tariff Commission shall report to the President its findings as to the probable economic effect on such industry of such termination as well as the progress and specific efforts made by the firms in the industry concerned to adjust to import competition during the initial period of import relief.*

(3) *Advice by the Tariff Commission under subsection (f)(2) shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.*

(g) *No investigation for the purposes of section 201 shall be made with respect to an industry which has received import relief under this section unless two years have elapsed since the expiration of import relief under subsection (e).*

CHAPTER 3—ADJUSTMENT ASSISTANCE FOR COMMUNITIES

Subchapter A—Petitions and determinations

SEC. 247.—PETITIONS—(a) A petition for certification of eligibility to apply for adjustment assistance may be filed with the Secretary of Commerce (hereinafter in this chapter referred to as "the Secretary") by a local governmental agency or group of such agencies. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.

(b) If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than ten days after the Secretary's publication of notice under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested persons an opportunity to be present, to produce evidence, and to be heard. The Secretary may request the Tariff Commission to hold any hearing required by this section and submit the transcript thereof and relevant information and documents to him within a specified time.

(c) A local governmental agency or group of such agencies shall be certified as eligible to apply for adjustment assistance under this chapter if the Secretary determines that a significant number or proportion of the workers employed in manufacturing within the "labor area" (as that term is defined by the Secretary of Labor) encompassing such local governmental agency or agencies have become totally or partially separated, or are threatened to become totally or partially separated, that sales or production, or both, of firms or subdivisions of firms located within said labor area have decreased absolutely, and that increases of imports of articles like or directly competitive with articles produced by such firms or subdivisions thereof located within said labor area contributed substantially to such total or partial separation, or threat thereof.

SEC. 248. DETERMINATIONS BY SECRETARY OF COMMERCE—(a) As soon as possible after the date on which a petition is filed under Sec. 247, but in any event not later than sixty days after that date, the Secretary shall determine whether the petitioning local governmental agency or agencies meets the requirements of Sec. 247 and issue a certification of eligibility to apply for assistance under this chapter. The certification shall specify the date on which the total or partial worker separation began or threatened to begin.

(b) Whenever the Secretary concludes that the Tariff Commission can aid him in reaching a determination under this section, he may request the Tariff Commission to conduct an investigation of fact relevant to such determination and to report the results within a specified time. In his request, the Secretary may state the particular kinds of data which he deems appropriate to be included.

(c) Upon reaching his determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register.

(d) Once a petition or petitions are filed, the responsibility for establishing the existence or non-existence of the qualifying circumstances necessary under this chapter shall rest with the Secretary.

Subchapter B—Program Benefits

SEC. 249 ADJUSTMENT ASSISTANCE COUNCILS—(a) Within 60 days of the certification of a labor area under Sec. 247, the Secretary shall send representatives to said area to meet with local officials and members of the general public in order to (1) acquaint them with the provisions of this act and potential benefits available thereunder; (2) assist in the formation of an Adjustment Assistance Council under this Section; (3) and provide any other assistance that may be necessary to initiate a successful Adjustment Assistance program.

(b) Each local governmental agency within a single labor area which is found certified under Sec. 247, shall choose representatives to an Adjustment Assistance Council. Each local governmental unit shall be allocated one position on said Council for every 3,000 people or fraction over one thousand, five hundred people residing in said labor area. All local governmental agencies within said labor area shall be entitled to place representatives on such Council within ninety days of notice of the establishment of such Council being published in a newspaper of general circulation in said labor area.

(c) Such Adjustment Assistance Council shall develop and implement a redevelopment plan and coordinate local efforts under this Act intended to bring about the economic rejuvenation of its labor area.

SEC. 250.—COUNCIL STAFF. The Secretary, upon application by a duly constituted Adjustment Assistance Council, is authorized to make grants to defray not to exceed 90 per centum of such funds as are necessary to maintain professional and clerical staff of such council for a period not to exceed two years from the date of the certification of the labor area under section 247. Such professional staff shall be limited in size to one person for every fifty thousand people within said labor market area. The Secretary is authorized to make grants to defray 50 per centum of the administrative costs of said Council for three years after the expiration of the original two-year grant under this section.

SEC. 251.—TECHNICAL ASSISTANCE. The Secretary, upon application by a duly constituted Adjustment Assistance Council, is authorized to provide to said Council such technical assistance as would be helpful in alleviating or preventing conditions of excessive unemployment or underemployment in said labor area. Such assistance may include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic growth in the labor area. Such assistance may be provided by the Secretary through members of his staff, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to said Adjustment Assistance Council.

SEC. 252 (a) Upon the application of any Adjustment Assistance Council, the Secretary is authorized—

(1) To make direct grants for the acquisition or development of land and improvements for public works, public service, or development facility usage, and the acquisition, construction, rehabilitation, alteration, expansion or improvement of such facilities, including related machinery and equipment, within the labor area, if he finds that—

(A) the project for which financial assistance is sought will directly or indirectly (i) tend to improve the opportunities, in the area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities, (ii) otherwise assist in the creation of additional long-term employment opportunities for such area, or (iii) primarily benefit the long-term unemployed and members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

(B) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located;

(C) the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area.

(b) Subject to subsection (c) hereof, the amount of any direct grant under this section for any project shall not exceed 2 per centum of the cost of such project.

(c) The amount of any supplementary grant under this section for any project shall not exceed the applicable percentage established by regulations promulgated by the Secretary, but in no event shall the non-Federal share of the aggregate cost of any such project (including assumptions of debt) be less than 20 per centum of such cost, except that in the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share.

In the case of any State or political subdivision thereof which the Secretary determines has exhausted its effective taxing and borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share. Supplementary grants shall be made by the Secretary, in accordance with such regulations as he shall prescribe, by increasing the amounts of direct grants authorized under this section or by the payment of funds appropriated under this Act to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of the applicable Federal programs. Notwithstanding any requirement as to the amount or sources of non-Federal funds that may otherwise be applicable to the Federal program involved, funds provided under the subsection shall be used for the sole purpose of increasing the Federal contribution to specific projects in certified labor areas under such programs above the fixed maximum portion of the cost of such project otherwise authorized by the applicable law. The term "designated Federal grant-in-aid programs," as used in this subsection, means such existing or future Federal grant-in-aid programs assisting in the construction or equipping of facilities as the Secretary may, in furtherance of the purposes of this Act, designate as eligible for allocation of funds under this section. In determining the amount of any supplementary grant available to any project under this section, the Secretary shall take into consideration the relative needs of the area, the nature of the project to be assisted, and the amount of such fair user charges or other revenues as the project may reasonably be expected to generate in excess of those which would amortize the local share of initial costs and provide for its successful operation and maintenance (including depreciation).

(d) The Secretary shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures, the Secretary shall consider among other relevant factors (1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment and (2) the income levels of families and the extent of underemployment in eligible areas.

(e) Except for projects specifically authorized by Congress, no financial assistance shall be extended under this section with respect to any public service or development facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State or Federal regulatory body, unless the State or Federal regulatory body determines that in the area to be served by the facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

SEC. 253.—LOANS AND GUARANTEES.—(a) The Secretary is authorized (1) to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within said labor area for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, and rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings; and (2) to guarantee loans for working capital made to private borrowers by private lending institutions in connection with projects in redevelopment areas assisted under subsection (a)(1) hereof, upon application of such institution and upon such terms and conditions as the Secretary may prescribe: *Provided*, however, That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) Such financial assistance shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them: *Provided*, however, That such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by the Adjustment Assistance Council in the labor area in which the project is to be financed is located.

(3) The project for which financial assistance is sought must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the labor area wherein it is or will be located.

(4) No loan or guarantee shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary will permit the accomplishment of the project.

(5) The Secretary shall not make any loan without a participation unless he determines that the loan cannot be made on a participation basis.

(6) No evidence of indebtedness shall be purchased and no loans shall be made or guaranteed unless it is determined that there is reasonable assurance of repayment.

(7) No loan, including renewals or extension thereof, may be made hereunder for a period exceeding twenty-five years and no evidence of indebtedness maturing more than twenty-five years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

(8) Loans made and evidences of indebtedness purchased under this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose.

(9) Loan Assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land in facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project, and shall, among others, be on the condition that—

(A) other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) not less than 15 per centum of such aggregate cost be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the Federal financial assistance extended under this section is being repaid, and if such a loan is secured, its security shall be subordinate and inferior to the lien or liens securing such Federal financial assistance: *Provided, however*, That, except in projects involving financial participation by Indian tribes, not less than 5 per centum of such aggregate cost shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, unless the Secretary shall determine in accordance with objective standards promulgated by regulation that all or part of such funds are not reasonably available to the project because of the economic distress of the area or for other good cause, in which case he may waive the requirement of this provision to the extent of such unavailability, and allow the funds required by this subsection to be supplied by the applicant or by such other non-Federal source as may reasonably be available to the project;

(C) to the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in subparagraph (B), any Federal financial assistance extended under this section may be repayable only after other loans made in connection with such project

have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

SEC. 254.—AUTHORIZATION. There is hereby authorized to be appointed $200,000,000 annually for the purpose of this chapter, for the fiscal year ending June 30, 1974, and for each fiscal year thereafter through the fiscal year ending June 30, 1979.

ESP AND HUD: THE CONTINUING CONTROVERSY

Mr. PERCY. Mr. President, my colleagues are aware of my long-standing interest in consumer protection activities in the housing field.

From time to time I have reported on the Department of Housing and Urban Development's reluctance to approve the operation of the Economic Security Program of the ESP-Fidelity Corporation.

ESP protects a homebuyer from missing up to six mortgage payments in a 3-year period due to involuntary unemployment. A builder purchases the protection for a subdivision through a one-time premium equal to one-half of the required monthly debt service payment.

HUD first indicated approval in March 1972 of the operation of this plan in connection with FHA insured properties, but reversed this position last June.

This decision was based on what I consider to be an extremely rigid and unreasonable application of regulations. I recently received a letter from Secretary Lynn of HUD stating once again the Department's rationale and I want to share it with my colleagues. I want to share, as well, portions of an analysis of ESP and the FHA and VA positions on the program written by the distinguished housing specialist of the Library of Congress, Dr. Henry B. Schechter.

Dr. Schechter's analysis, prepared originally for the Housing Subcommittee of the House Banking and Currency Committee, answers with devastating thoroughness, I believe, the arguments put forward by HUD. I draw attention, in particular, to Dr. Schechter's conclusion that "it is difficult to understand why FHA and VA should oppose ESP policies. In addition to consumer protection, it would help to lower the FHA and VA foreclosure rates."

I also want to point out that studies by the VA and the Savings & Loan League indicate that loss of income is one of the major reasons for mortgage delinquency and default.

I cannot help but question HUD's interest in the housing consumer in light of its attitude toward this program. I have introduced a bill, the Home Buyers and Homeowners Protection Act—S. 1614—which would remove the Department's grounds for objecting to programs similar to this one. Legislative remedies seem to be the only ones open to the housing consumer.

I ask unanimous consent to print in the RECORD the letter to me from Secretary Lynn and the analysis of ESP by Henry Schechter.

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

THE SECRETARY OF HOUSING
AND UBRAN DEVELOPMENT,
Washington, D.C., April 13, 1973.

Hon. CHARLES PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I am replying further to your letter of February 22, 1973, concerning Mr. Laurence August and his company, the Economic Security Programs Fidelity Corporation.

I am advised that a thorough review of the E.S.P. plan was made by the Appraisal and Mortgage Risk Division of this Department and that the decision concerning it was based upon the underwriting criteria used by this Department in determining the maximum insurable amount of a mortgage. That decision was not in any way a judgment on the merits of E.S.P. as an appropriate means of protecting a homeowner's income as an employee. On the contrary, it was merely a conclusion that where a builder offers a home for sale at a price which includes unemployment insurance, this Department in appraising the value of the home for the purpose of computing the maximum insurable mortgage thereon must deduct from that price that part attributable to the cost of the insurance of the unemployment insurance plan. Of course, this is because the value of the house is in no way augmented by the insurance plan.

Otherwise, the Department has no intention of encouraging or discouraging the use of this particular plan by home buyers. Presumably the plan could be purchased by a home buyer for either a lump sum single premium or by payment of installment premiums. We are merely not permitting a lump sum premium to be added on to the principal amount of an insured mortgage by including the amount of that premium in our appraisal of the value of the house.

To test the validity of our decision, Mr. August has instituted three law suits against the Department. One has been dismissed by the United States Court of Appeals for the Ninth Circuit. The other two are presently pending in the United States District Court for the Central District of California and involve a complaint for an injunction and a complaint for damages based upon an alleged breach of contract, libel and slander. We will, of course, abide by the judgment of the court in those cases.

With regard to unemployment insurance for mortgagors generally, a study was made by the Insurance Technical Advisory Group, which was organized by this Department for the purpose of implementing Section 109 of the Housing and Urban Development Act of 1968. This group included representatives from The American Life Convention, The Health Insurance Association of America, and the Life Insurance Association of America. The findings of this group were that: (1) in the cases of mortgagors confronted with the hazards of disability, unemployment or death, only a small percentage resulted in foreclosure; (2) the hazard of unemployment is a difficult one to provide for through an insurance contract; (3) there is insufficient documentation of mortgage experience to formulate the standards required with the degree of definiteness which would be essential for an insurance program; and (4) relief might be best granted on a determination being made in each case on the basis of specific needs.

I am advised that this Department is reviewing our present forbearance procedures and endeavoring to develop more effective ways of using them in helping mortgagors who are unable to make mortgage payments. In fact, this Department on January 11, 1973, issued a letter to All Approved Mortgagees instructing them that, when apprising delinquent mortgagors of the consequences of continued default in the mortgage payments, the notification should advise the mortgagor that if he had lost his job, was ill or had a temporary financial hardship, the mortgagee or this Department could aid him if he asked for such assistance.

I share your advocacy of a consumer-oriented FHA program. It was the concern for the consumer that caused reconsideration to be given to the E.S.P. plan. We strive to assure that purchasers are not obligated to pay any more for a home than is actually required.

Sincerely yours,

JAMES T. LYNN.

THE LIBRARY OF CONGRESS,
Washington, D.C., October 19, 1972.

To: Housing Subcommittee. Attn: George Gross.
From: Economics Division.
Subject: Economic Security Program—ESP Fidelity Corporation.

THE ESP PROGRAM

The Economic Security Program is a group policy program of mortgagor unemployment insurance for debt service marketed by the ESP Fidelity Corporations. The latter sells builders the program which requires the builder to purchase policies on behalf of all new homebuyers in a subdivision. A builder pays a one-time premium equal to one-half of the required monthly debt service payments, i.e. principal, interest, taxes and insurance. The homebuyer is then entitled to benefits of up to a maximum of six full monthly debt service payments while unemployed during the first three years of ownership. Benefits become payable after 30 consecutive days of unemployment.

FHA AND VA POSITION

The position of FHA, in which VA concurs, is stated in HUD Assistant Secretary-Commissioner Gulledge's letter of July 28, 1972 to Laurence I. August. The line of reasoning is as follows:

(1) Since a builder purchases this policy with the intent of giving it to the purchaser, of necessity the builder must take into consideration the cost of the policy in establishing the price of the home.

(2) The statute requires that the purchaser make a minimum cash down payment equal to a given percentage of the total acquisition cost of the property.

(3) Where the seller transfers to the buyer items unrelated to the real estate securing the mortgage, the current market price of the item must be deducted from the contract price of the real property to arrive at its acquisition cost.

(4) The ESP policy apparently is considered to be such an unrelated item and would be treated as a reduction in the acquisition cost.

(5) Where the resultant acquisition cost is less than the appraised value, the reduction in acquisition cost would cause a reduction in the insurable mortgage amount.

The latter effect would occur because the mortgage amount could not exceed a given percentage of either the appraised value or total acquisition cost. Generally these two figures have been so close that the reduction of the FHA acquisition cost figure, by the amount of the ESP policy premium would bring about a reduction in the insurable mortgage amount. There would be a similar effect under the VA program where the (appraised) Reasonable Value, which governs the maximum mortgage amount, would be reduced by the amount of the ESP policy premium.

Gulledge also points out that because of the prerequisite of 30 consecutive days of unemployment for benefits to become payable it is conceivable that the loan would already be in default before the homeowner becomes eligible for benefits, and it would not help the homeowner.

COMMENTS

(1) One of the elements upon which the FHA/VA position rests is that the cost of the ESP policy is added to other costs by the builder when he establishes his selling price. As pointed out on page 2 of the letter of August 7, 1972 from Mark A. Ivener to Eugene A. Gulledge, the builder can actually reduce his costs through quicker sales induced by the ESP policy, thus significantly reducing his interim financing interest costs which mount as houses remain unsold.

It should also be noted that it really should be of no concern as to how a builder arrives at his selling price. The FHA statute directs FHA to relate the loan to (a) the appraised value and (b) total acquisition cost to the buyer. The appraised value is supposed to reflect current market value, which FHA and VA presumably are competent to determine. The acquisition cost clearly includes the selling price. In neither case does FHA or VA have to, nor do they, look at component costs of the builder.

Admittedly, the ESP policy is a marketing device with a cost. Some builders absorb closing costs (as the ESP people point out), and some builders choose to spend an abnormal amount per unit for newspaper advertising. Assuming that $100 per unit for advertising is average or "normal" in an area, FHA would not claim that a builder who wants to spend $500 per unit really could have sold the house for $400 less and reduce his maximum mortgage amount accordingly.

(2) Another important element in the FHA/VA position is that the ESP policy is an item "unrelated to the real estate securing the mortgage to the buyer". This statement can be made only in a very literal sense because the policy benefits are available only to the original purchaser, and the right to such benefits cannot be transferred along with the house. The additional security of ownership retention afforded to the purchaser is a part of his property ownership status, however, and is thus related to the real estate securing the mortgage during those first three years.

(3) With respect to the FHA observation that, due to the policy prerequisite of 30 continuous days of unemployment before benefits become payable, some homeowners might already be in default by then, the Ivener letter of August 7, pages 3 and 4, contains a rebuttal. Ivener points out that, at the discretion of the lender a Certificate of Default is issued between 30 and 90 days to make up past due payments, penalties and interest. He also claimed that in virtually every case a payment would be made on the scheduled payment date following 30 days of unemployment. The certainty of such policy benefit payments prior to default would be greatly enhanced, however, if the ESP people could offer to change the unemployed days requirement from 30 to 25. It is believed that the single premium that they receive, equal to 8½ percent of maximum payable benefits (one-half month of debt service to cover up to 6 full monthly payments) might be adequate to cover the additional claim payments that would result.

(4) As a general matter, it is difficult to understand why FHA and VA should oppose ESP policies. In addition to consumer protection, it would help to lower the FHA and VA foreclosure rates.

In this connection, the Congress, in Section 109 of the Housing and Urban Development Act of 1968 authorized the Secretary of HUD to undertake the development of an insurance program to help homeowners in meeting mortgage payments in times of personal economic adversity. The Secretary was also directed to report on his actions in this respect within 6 months. It is my understanding that a report has not been submitted, except for an interim, non-substantive letter to appropriate committee chairman, describing the progress of study efforts.

HENRY B. SCHECHTER,
Senior Specialist in Housing.

HOW JOB ENRICHMENT WORKS: PROOF FROM A.T. & T.

Mr. PERCY. Mr. President, Mr. Robert Ford, personnel director—Work Organization and Environmental Research at A.T. & T., is a major figure in job enrichment efforts in America. He is a pioneer in the growing movement to eliminate dumb-dumb jobs.

In an excellent article in the Harvard Business Review for January-February this year, Mr. Ford explains why job enrichment works—with examples. One of Mr. Ford's most compelling points is that job enrichment efforts both result in better satisfied employees—and citizens—and in higher productivity. In the examples, he cites, productivity has increased as much as four times.

But the most compelling point Mr. Ford makes is that employees are much more capable than most managers assume them to be. He notes that:

We consistently erred in forming the (work) modules; we tended to "underwhelm" employees. Eventually, we learned that the worker can do more, especially as his or her experience builds.

Similarly, Mr. Ford reports that:

Many responsibilities can be moved to lower grade levels, usually to the advantage of every job involved.

I cannot commend Mr. Ford and A.T. & T. too highly for these efforts to change the nature of work. I can only urge that such activities be broadened and intensified—at A.T. & T. and in every American enterprise.

I ask unanimous consent that the article referred to be included in the RECORD.

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

JOB ENRICHMENT LESSONS FROM A. T. & T.

(By Robert N. Ford)

(NOTE.—Exhibits referred to are not printed in the RECORD.)

FOREWORD

The American Telephone & Telegraph Company is a pioneer in the enrichment of routine white-collar and blue-collar jobs to bolster employee motivation, as well as improve efficiency and productivity and reduce turnover. In this article the man responsible for initiating these programs in the company and its subsidiaries describes how the "slice" of work is redesigned into a natural functional unit, control of it is given to the employee, and he is ensured sufficient feedback to know how he is doing. The author also discusses a promising approach that goes beyond individual job enrichment—the "nesting" of related jobs.

Mr. Ford is Personnel Director—Work Organization and Environmental Research at AT&T. He has written about job enrichment in two books, *Motivation Through the Work Itself* (American Management Association, 1969) and *The Obstinate Employee* (Van Nostrand–Reinhold, scheduled for 1973 publication). In 1970 the American Society for Training and Development gave him a special award for his "substantial contribution to the training and development profession."

There is a mounting problem in the land, the concern of employed persons with their work life. Blue-collar workers are increasingly expressing unhappiness over the monotony of the production line. White-collar workers want to barter less of their life for bread. More professional groups are unionizing to fight back at somebody.

The annual reports of many companies frequently proclaim, "Our employees are our most important resource." Is this a statement of conviction or is it mere rhetoric? If it represents conviction, then I think it is only fair to conclude that many business organizations are unwittingly squandering their resources.

The enormous economic gains that sprang from the thinking of the scientific management school of the early 1900's—the time-and-motion study analysts, the creators of production lines—may have ended insofar as they depend on utilizing human beings more efficiently. Without discarding these older insights, we need to consider more recent evidence showing that the tasks themselves can be changed to give workers a feeling of accomplishment.

The growing pressure for a four day workweek is not necessarily evidence that people do not care about their work; they may be rejecting their work in the form that confronts them. To ask employees to repeat one small task all day, at higher and higher rates of speed, is no way to reduce the pressure for a shorter workweek, nor is it any longer a key to rising productivity in America. Work need not be so frequently a betrayal of one's education and ability.

From 1965 to 1968 a group of researchers at AT&T conducted 19 formal field experiment in job enrichment. The success of these studies has led to many company projects since then. From this work and the studies of others (many of them discussed previously in HBR) we have learned that the "lifesaving" portion of many jobs can be expanded. Conversely, the boring and unchallenging aspects can be reduced—not to say eliminated.

Furthermore, the "nesting" of related, already enriched jobs—a new concept—may constitute another big step toward better utilization of "our most important resource."

First in this article I shall break down the job enrichment strategy into three steps. Then I shall demonstrate what we at AT&T have been doing for seven years in organizing the work beyond enrichment of individual jobs. In the course of my discussion, I shall use no illustrations that were not clearly successful from the viewpoint of both employees and the company.

While obviously the functions described in the illustrations differ superficially from those in most other companies, they are still similar enough to production and service tasks in other organizations to permit meaningful comparison. It is important to examine the nature of the work itself, rather than the external aspects of the functions.

Moreover, in considering ways to enrich jobs, I am not talking about those elements that serve only to "maintain" employees: wages, fringe benefits, clean restrooms, a pleasant atmosphere, and so on. Any organization must meet the market in these respects or its employees will go elsewhere.

No, employees are saying more than "treat me well." They are also saying "use me well." The former is the maintenance side of the coin, the latter is the work motivation side.

ANATOMY OF ENRICHMENT

In talking about job enrichment, it is necessary to go beyond such high-level concepts as "self-actualization," "need for achievement," and "psychological growth." It is necessary to specify the steps to be taken. The strategy can be broken down into these aspects—improving work through sys-

tematic changes in (a) the module of work, (b) control of the module, and (c) the feedback signaling whether something has been accomplished. I shall discuss each of these aspects in turn.

WORK MODULE

Through changing the work modules, Indiana Bell Telephone Company scored a striking success in job enrichment within the space of two years. In Indianapolis, 33 employees, most of them at the lowest clerical wage level, compiled all telephone directories for the state. The processing from clerk to clerk was laid out in 21 steps, many of which were merely for verification. The steps included manuscript reception, manuscript verification, keypunch, keypunch verification, ad copy reception, ad copy verification, and so on—a production line as real as any in Detroit. Each book is issued yearly to the customers named in it, and the printing schedule calls for the appearance of about one different directory per week.

In 1968, the year previous to the start of our study, 28 new hires were required to keep the clerical force at the 33-employee level. Obviously, such turnover had bad consequences. From every operating angle, management was dissatisfied.

In a workshop, the supervisors concluded that the lengthy verification routine, calling for confirmation of one's work by other clerks, was not solving the basic problem, which was employee indifference toward the tasks. Traditional "solutions" were ineffective. They included retraining, supervisor complaints to the employees, and "communicating" with them on the importance to customers of error-free listing of their names and places of business in the directories. As any employee smart enough to be hired knows, an incorrect listing will remain monumentally wrong for a whole year.

The supervisors came up with many ideas for enriching the job. The first step was to identify the most competent employees, and then ask them, one by one, if they felt they could do error-free work, so that having others check the work would be pointless. Would they check their own work if no one else did it?

Yes, they said they could do error-free work. With this simple step the module dropped from 21 slices of clerical work to 14.

Next the supervisory family decided to take a really big step. In the case of the thinner books, they asked certain employees whether they would like to "own" their own books and perform all 14 remaining steps with no verification unless they themselves arranged it with other clerks—as good stenographers do when in doubt about a difficult piece of paperwork. Now the module included every step (except keytape, a minor one).

Then the supervisors turned their attention to a thick book, the Indianapolis directory, which requires many hands and heads. They simply assigned letters of the alphabet to individuals and let them complete all 14 steps for each block of letters.

In the past, new entries to all directories had moved from clerk to clerk; now all paperwork connected with an entry belonging to a clerk stayed with that clerk. For example, the clerk prepared the daily addenda and issued them to the information or directory assistance operators. The system became so efficient that most of the clerks who handled the smaller directories had charge of more than one.

Delimiting the module: In an interview one of the clerks said, "It's a book of my own." That is the way they felt about the books. Although not all modules are physically so distinct, the idea for a good module is usually there. Ideally, it is a slice of work that gives an employee a "thing of my own." At AT&T I have heard good modules described with pride in various ways:

"A piece of turf" (especially a geographic responsibility).

"My real estate" (by engineers responsible for a group of central offices).

"Our cradle-to-grave modern line" (a vastly improved Western Electric switching-device production line).

"Our mission impossible team" (a framemen's team, Long Lines Department).

The trouble with so much work processing is that no one is clearly responsible for a total unit that fails. In Indianapolis, by contrast, when a name in a directory is misspelled or omitted, the clerk knows where the responsibility lies.

Delimiting the module is not usually difdifficult when the tasks are in production, or at least physically defined. It is more difficult in service tasks, such as handling a telephone call. But modules make sense here, too, if the employee has been prepared for the work so that nobody else need be involved—in other words, when it is not necessary to say to the caller, "Let me connect you with my supervisor about that, please" or "May I give you our billing department, please?"

It is not always true that any one employee can handle a complete service, but out studies show that we consistently erred in forming the module, we tended to "underwhelm" employees. Eventually we learned that the worker can do more, especially as his or her experience builds. We do not have even one example from our business where job enrichment resulted in a smaller slice of work.

In defining modules that give each employee a natural area of responsibility, we try to accumulate horizontal slices of work until we have created (or recreated) one of these three entities for him or her:

1. A customer (usually someone outside the business).

2. A client (usually someone inside the business, helping the employee serve the customer).

3. A task (in the manufactluring end of the business, for example, where, ideally, individual employees produce complete items).

Any one of these three can make a meaningful slice of work (in actuality, they are not separated; obviously, an employee can be working on a task for a customer.) Modules more difficult to differentiate are those in which the "wholeness" of the job is less clear—that is, control is not complete. They include cases where—

The employee is merely one of many engaged in providing the ultimate service or item);

The employee's customer is really the boss (or, worse yet, the boss's boss) who tells him what to do;

The job is to help someone who tells the employee what is to be done.

While jobs like these are harder to enrich, it is worth trying.

CONTROL OF THE MODULE

As an employee gains experience, the supervisor should continue to turn over responsibility until the employee is handling the work completely. The reader may infer that supervisors are treating employees unequally. But it is not so; ultimately, they may all have the complete job if they can handle it. In the directory-compilation case cited—which was a typical assembly-line procedure, although the capital investment was low—the supervisors found that they could safely permit the employee to say when sales of advertisements in the yellow pages must stop if the ads were to reach the printer on time.

Employees of South Central Bell Telephone Company, who set their own cutoff dates for the New Orleans, Monroeville, and Shreveport phone books, consistently gave themselves less time than management had previously allowed. As a result, the sale of space in the yellow pages one year continued for three additional weeks, producing more than $100,000 in extra revenue.

But that was only one element in the total module and its control. The directory clerks talked *directly* to salesmen, to the printer, to supervisors in other departments about production problems, to service representatives, and to each other as the books moved through the production stages.

There are obvious risks on the supervisors' side as they give their jobs away, piece by piece, to selected employees. We have been through it enough to advise, "Don't worry." Be assured that supervisors who try it will say, as many in the Bell System have said, "Now, at last, I feel like a manager. Before I was merely chief clerk around here."

In other studies we have made, control has been handled by the supervisor to a person when the employee is given the authority to perform such tasks as these:

Set credit ratings for customers.

Ask for, and determine the size of, a deposit.

Cut off service for nonpayment.

Make his or her own budget, subject to negotiation.

Perform work other than that on the order sheet after negotiating it with the customer.

Reject a run or supply of material because of poor quality.

Make free use of small tools or supplies within a budget negotiated with the supervisor.

Talk to anyone at any organizational level when the employee's work is concerned.

Call directly and negotiate for outside repairmen or suppliers (within the budget) to remedy a condition handicapping the employee's performance.

FEEDBACK

Definition of the module and control of it are futile unless the results of the employee's effort are discernible. Moreover, knowledge of the results should go directly to where it will nurture motivation—that is, to the employee. People have a great capacity for midflight correction when they know where they stand.

One control responsibility given to excellent employees in AT&T studies is self-monitoring; it lets them record their own "qualities and quantities." For example, one employee who had only a grade-school education was taught to keep a quality control chart in which the two identical parts of a dry-reed switch were not to vary more than .005 from an ideal dimension. She found that for some reason too many switches were failing.

She proved that the trouble occurred when one reed that was off by .005 met another reed that was off by .005. The sum, .010, was too much in the combined component and it failed. On her own initiative, she recommended and saw to it that the machine dies were changed when the reeds being stamped out started to vary by .003 from the ideal. A total variance of .006 would not be too much, she reasoned. Thus the feedback she got showed her she was doing well at her job.

This example shows all three factors at work—the module, its control, and feedback. She and two men, a die maker and a machine operator, had the complete responsibility for producing each day more than 100,000 of these tiny parts, which are not unlike two paper matches, but much smaller. How can one make a life out of this? Well, they did. The six stamping machines and expensive photometric test equipment were "theirs." A forklift truck had been dedicated to them (no waiting for someone else to bring or remove supplies). They ordered rolls of wire for stamping machines when they estimated they would need it. They would ship a roll back when they had difficulty controlling it.

Compared with workers at a plant organized along traditional lines, with batches of the reeds moving from shop to shop, these three employees were producing at a fourfold rate. Such a minigroup, where each person plays a complementary part, is radically different psychologically from the traditional group of workers, where each is doing what the others do.

(In the future, when now undreamed-of computer capacities have been reached, management must improve its techniques of feeding performance results directly to the employee responsible. And preferably it should be done *before* the boss knows about it.)

IMPROVING THE SYSTEM

When a certain job in the Bell System is being enriched, we ask the supervisory family, "Who or what is the customer/client/task in this job?" Also, "How often can the module be improved?" And then, "How often can control or feedback be improved? Can we improve all three at once?"

These are good questions to ask in general. My comments at this stage of our knowledge must be impressionistic.

The modules of most jobs can be improved, we have concluded. Responsibilities or tasks that exist elsewhere in the shop or in some other shop or department need to be combined with the job under review. This horizontal loading is necessary until the base of the job is right. However, I have not yet seen a job whose base was too broad.

At levels higher than entrance grade, and especially in management positions, many responsibilities can be moved to lower grade levels, usually, to the advantage of every job involved. This vertical loading is especially important in mature organizations.

In the Indianapolis directory office, 21 piecemeal tasks were combined into a single, meaningful, natural task. There are counterparts in other industries, such as the assembly of an entire dashboard of an automobile by two workers.

We have evidence that two jobs—such as the telephone installer's job and the telephone repairman's job—often can make one excellent "combinationman's" job. But there are some jobs in which the work module is already a good one. One of these is the service representative, the highly trained clerk to whom a customer speaks when he wants to have a telephone installed, moved, or disconnected, or when he questions his telephone bill. This is sometimes a high-turnover job, and when a service representative quits because of work or task dissatisfaction, there goes $3,450 in training. In fact, much of the impetus for job enrichment came through efforts to reduce these costs.

In this instance the slice of work was well enough conceived; nevertheless, we obtained excellent results from the procedures of job enrichment. Improvements in the turnover situation were as great as 50%. Why? Because we could improve the control and feedback.

It should be recognized that moving the work module to a lower level is not the same as moving the control down. If the supervisor decides that a customer's account is too long overdue and tells the service representative what to do, then both the module and the control rest with the supervisor. When, under job enrichment procedures, the service representative makes the decision that a customer must be contacted, but checks it first with the supervisor, control remains in the supervisor's hands. Under full job enrichment, however, the service representative has control.

Exhibit I shows in schematic form the steps to be taken when improving a job. To increase control, responsibility must be obtained from higher levels. I have yet to see an instance where control is moved upward to enrich a job. It must be acknowledged, however, that not every employee is ready to handle more control. That is especially true of new employees.

Moreover, changing the control of a job is more threatening to supervisors than is changing the module. In rejecting a job enrichment proposal, one department head said to us, "When you have this thing proved 100%, let me know and we'll try it."

As far as feedback is concerned, it is usually improvable, but not until the module and control of it are in top condition. If the supervisory family cannot come up with good ways for telling the employee how he or she is doing, the problem lies almost surely in a bad module. That is, the employee's work is submerged in a total unit and he or she has no distinct customer client task. During the learning period, however, the supervisor or teacher should provide the feedback.

When supervisors use the performance of all employees as a goad to individual employees, they thwart the internalization of motivation that job enrichment strives for. An exception is the small group of mutually supporting, complementary workers, but even in this case each individual needs knowledge of his or her own results.

These generalizations cannot be said to be based on an unbiased sample of all jobs in all locations. Usually, the study or project locations were not in deep trouble, nor were they the best operating units. The units in deep trouble cannot stand still long enough to figure out what is wrong, and the top performers need no help. Therefore, the hard-nosed, scientifically trained manager can rightfully say that the jury is still out as to whether job enrichment can help in all work situations. But it has helped repeatedly and consistently on many jobs in the Bell System.

JOB NESTING

Having established to its satisfaction that job enrichment works, management at AT&T is studying ways to go beyond the enriching of individual jobs. A technique that offers great promise is that of "nesting" several jobs to improve morale and upgrade performance.

By way of illustration I shall describe how a family of supervisors of service representatives in a unit of Southwestern Bell Telephone Company improved its service indexes, productivity, collection of overdue bills, and virtually every other index of performance. In two years they moved their Ferguson District (adjacent to St. Louis) from near the bottom to near the top in results among all districts in the St. Louis area.

Before the job enrichment effort started, the service representatives' office was laid out as it appears in *Exhibit II*. The exhibit shows their desks in the standard, in-line arrangement fronted by the desks of their supervisors, who exercised close control of the employees.

As part of the total job enrichment effort, each service rep group was given a geographical locality of its own, with a set of customers to take care of, rather than just "the next customer who calls in" from anywhere in the district. Some service reps—most of them more experienced—were detached to form a unit handling only the businesses in the district.

Then the service representatives and their business office supervisors (BOS) were moved to form a "wagon train" layout. As *Exhibit III* shows, they were gathered into a more-or-less circular shape and were no longer directly facing the desks of the business office supervisors and unit managers. (The office of the district manager was further removed too.)

Now, all was going well wtih the service representatives' job, but another function in the room was in trouble. This was the entry-level job of service order typist. These typists transmit the orders to the telephone installers and the billing and other departments. They and the service order reviewers—a higher-classification job—had been located previously in a separate room that was soundproofed and air-conditioned because the TWX machines they used were noisy and hot. When its equipment was converted to the silent, computer-operated cathode ray tubes (CRTs), the unit was moved to a corner of the service reps' room (see *Exhibit III*).

But six of the eight typists quit in a matter of months after the move. Meanwhile, the percentage of service orders typed "on time" fell below 50%, then below 40%.

The reasons given by the six typists who quit were varied, but all appeared to be rationalizations. The managers who looked at the situation, and to the $25,000 investment in the layout, could see that the feeling of physical isolation and the feeling of having no "thing" of their own were doubtless the real prime factors. As the arrangement existed, any service order typist could be called on to type an order for any service representative. On its face, this seems logical; but we have learned that an employee who belongs to everybody belongs to nobody.

An instantly acceptable idea was broached: assign certain typists to each service rep team servicing a locality. "And while we're at it," someone said, "why not move the CRTs right into the group? Let's have a wagon train with the women and kids in the middle." This was done (over the protest of the budget control officer, I should add).

The new layout appears in Exhibit IV. Three persons are located in the station in the middle of each unit. The distinction between service order typist and service order reviewer has been abolished, with the former upgraded to the scale of the latter. (Lack of space has precluded arranging the business customer unit in the same wagon-train fashion. But that unit's service order review and typing desks are close to the representatives' desks.)

Before the changes were started, processing a service request involved ten steps—and sometimes as many persons—not counting implementation of the order in the Plant Department. Now the procedure is thought of in terms of people, and only three touch a service order on its way through the office. (See *Exhibit V.*) At this writing, the Ferguson managers hope to eliminate even the service order completion clerk as a specialized position.

Has the new arrangement worked? Just before the typists moved into the wagon train, they were issuing only 27% of the orders on time. Within 30 days after the switch to assigned responsibility, 90% of the orders were going out on time. Half a year later, in one particular month, the figure even reached 100%.

These results were obtained with a 21% jump in work load—comparing a typical quarter after "nesting" with one before—being performed with a net drop of 22 worker-weeks during the quarter. On a yearly basis it is entirely reasonable to expect the elimination of 88 weeks of unnecessary work (conservatively, 1½ full-time employees.) Unneeded messenger service has been dispensed with, and one of two service order supervisor positions has been eliminated. The entire cost has been recovered already.

The service order accuracy measurement, so important in computerization, has already attained the stringent objectives set by the employees themselves, which exceeded the level supervisors would have set. Why are there fewer errors? Because now employees can lean across the area and talk to each other about a service order with a problem or handwriting that is unclear. During the course of a year this will probably eliminate the hand preparation of a thousand "query"

slips, with a thousand written replies, in this one district.

And what of the human situation? When on-time order issuance was at its ebb, a supervisor suggested having a picnic for the service representatives and the typists. They did, but not a single typist showed up. Later, when the on-time order rate had climbed over 90%, I remarked, "Now's the time for another picnic." To which the supervisor replied facetiously, "Now we don't need a picnic!"

The turnover among typists for job reasons has virtually ceased. Some are asking now for the job of service representative, which is more demanding, more skilled, and better paid. Now, when the CRTs or the computer is shut down for some reason, or if the service order typist runs out of work, supervisors report that typists voluntarily help the service reps with filing and other matters. They are soaking up information about the higher-rated jobs. These occurrences did not happen when the typists were 100 feet away; then they just sat doing nothing when the work flow ceased. (Because of this two-way flow of information, incidentally, training time for the job of service representative may drop as much as 50%.)

As the state general manager remarked when the results were first reported, "This is a fantastic performance. It's not enough to enrich just one job in a situation. We must learn how to put them together."

DIFFERENT CONFIGURATION

While the Ferguson District supervisory family was making a minigroup out of the service reps and their CRT typists, a strikingly different mini-group was in formation in the Northern Virginia Area of the Chesapeake and Potomac Telephone Company. There the family hit on the idea of funneling to selected order typists only those orders connected with a given central office, such as the Lewinsville frame. Soon the typists and the framemen—those who actually make the changes as a result of service orders—became acquainted. The typists even visited "their" framerooms. Now some questions could be quickly resolved that previously called for formal interdepartmental interrogations through supervisors.

At the end of the first eight months of 1972, these 9 CRT typists were producing service order pages at a rate one third higher than the 51 service order typists in the comparison group. The absence rate in the experimental unit was 0.6%, compared with 2.5% for the others, and the errors per 100 orders amounted to 2.9 as against 4.6 in the comparison group.

The flow of service orders is from (a) service rep to (b) service order typist to (c) the frameroom. The Ferguson District enjoyed success when it linked (a) and (b), while productivity for the Lewinsville frame improved when (b) and (c) were linked. Obviously, the next step is to link (a), (b), and (c). We are now selecting trial locations to test this larger nesting approach.

LESSONS LEARNED

In summary fashion, at the end of seven years of effort to improve the work itself, it is fair to say that:

Enriching existing jobs pays off. To give an extreme example, consider the fact that Illinois Bell Telephone Company's directory compilation effort reduced the work force from 120 persons to 74. Enriching the job started a series of moves; it was not the only ingredient, but it was the precipitating one.

Job enrichment requires a big change in managerial style. It calls for increasing modules, moving control downward, and dreaming up new feedback ideas. There is nothing easy about a successful job enrichment effort.

The nesting or configuring of related tasks—we call it "work organization"—may be the next big step forward after the enrichment of single jobs in the proper utilization of human beings.

It seems to produce a multiplier effect rather than merely a simple sum. In the Ferguson District case the job modules were not changed; the service representatives were not asked to type their own orders on the cathode ray tubes, nor were the typists asked to take over the duties of the service representatives. The results came from enriching other aspects (control and feedback and, more important, from laying out the work area differently to facilitate interaction among responsible people.

While continuing job enrichment efforts, it is important not to neglect "maintenance" factors. In extending our work with job nesting, for example, we plan to experiment with "office landscaping," so called. The furniture, dividers, planters, and acoustical treatment, all most add to the feeling of work dedication. By this I mean we will dedicate site, equipment, and jobs to the employees, with the expectation that they will find it easier to dedicate themselves to customer/client/task. Especially in new installations, this total work environmental approach seems a good idea for experimentation. We will not be doing it merely to offset pain or boredom in work. The aim is to facilitate work.

A "pool" of employees with one job (typing pool, reproduction pool, calculating pool, and so on) is at the opposite extreme from the team or "minigroup" which I have described. A minigroup is a set of mutually supporting employees, each of whom has a meaningful module or part in meeting the needs of customer/client/task. What is "meaningful" is, like a love affair, in the eye of the beholder; at this stage, we have difficult in describing it further.

A minigroup can have several service representatives or typists; one of each is not basic to the idea. The purpose is to set up a group of employees so that a natural, mutual dependence can grow in providing a service or finishing a task. It marks the end of processing from person to person or group to group, in separate locations or departments and with many different supervisors.

The minigroup concept, however, still leaves room for specialists. In certain Scandinavian auto plants, for example, one or two specialists fabricate the entire assembly of the exhaust pollution control system or the electrical system. Eventually, a group of workers may turn out a whole engine. In the United States, Chrysler has given similar trial efforts a high priority. The idea is to fix authority at the lowest level possible.

Experience to date indicates that unions welcome the kind of effort described in our studies. Trouble can be expected, of course, if the economics of increases in productivity are not shared equitably. In the majority of cases, the economics can be handled even under existing contracts, since they usually permit establishment of new jobs and appropriate wage grades between dates of contract negotiation.

An employee who takes the entire responsibility for preparing a whole telephone directory, for example, ought to be paid more, although a new clerical rating must be established. Job enrichment is not in lieu of cash; good jobs and good maintenance are two sides of the same coin.

New technology, such as the cathode ray tube should enable us to break free of old work arrangements. When the Ferguson District service order typists were using the TWX machines, nesting their jobs was impractical because the equipment would have driven everybody to distraction. Installation of the high-technology CRTs gave the planners the opportunity to move together those employees whose modules of work were naturally related. This opportunity was at first overlooked.

Everyone accepts the obvious notion that new technology can and must eliminate dumb-dumb jobs. However, it probably creates more, rather than fewer, fragments of work. Managers should observe the new module and the work organization of the modules. This effort calls for new knowledge and skills, such as laying out work so attractively that the average employee will stay longer and work more effectively than under the previous arrangement.

Moreover, technology tends to make human beings adjuncts of machines. As we move toward computerized production of all listings in the white pages of the phone books, for example, the risk of an employee's losing "his" or "her" own directories is very great indeed. (Two AT&T companies, South Central Bell and Pacific Northwest Bell, are at this stage, and we must be certain the planned changes do not undermine jobs.) Making sure that machines remain the adjunct of human beings is a frontier problem which few managers have yet grappled with.

Managers in mature organizations are likely to have difficulty convincing another department to make pilot runs of any new kind of work organization, especially one that will cause the department to lose people, budget, or size. Individual job enrichment does not often get into interdepartmental tangles, but the nesting of jobs will almost surely create problems of autonomy. This will call for real leadership.

When the work is right, employee attitudes are right. That is the job enrichment strategy—get the work right.

ARMY TO CLOSE FORT LEE SERVANT SCHOOL

Mr. PROXMIRE. Mr. President, the Army's decision to close its Fort Lee, Va., "charm school" for training enlisted men to become servants for the brass is a long-overdue step toward elimination or aristocratic privileges for high-ranking officers.

As I understand it, the Fort Lee facility will be shut down by July 13, 1973, and in the meantime no new recruits will be sent there. Those in progress of training will be allowed to continue.

This is a tribute to the good sense of the American people who have expressed outrage at the continuation of providing servants for able-bodied and well-paid officers.

The fact that there is a bill in the Senate—S. 850—to close such schools must have been a contributing factor to the Army's change of heart.

But this small action is not enough. The military servant program must be discontinued entirely. I challenge the Joint Chiefs of Staff each to release their six to eight servants as an example to the country and their fellow officers.

The practice of using military men as domestic servants in the rent-free homes of the brass must be stopped if the Army, Navy, and Air Force are to become attractive careers for new volunteers.

I intend to bring my amendment to a vote on the first suitable military bill before the Senate. This amendment would prohibit the use of enlisted men as personal servants, relieve enlisted aides of the duty of performing services for the families of general and flag officers, and

cut off all funds for training enlisted aides for all services.

Mr. President, I ask unanimous consent that a recent Washington Post article by Michael Cetler be printed in the RECORD.

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

ARMY PLANS CLOSING OF "CHARM SCHOOL"

(By Michael Getler)

The Army confirmed yesterday that it is shutting down its school at Ft. Lee, Va., where enlisted men are trained to perform a variety of personal services for officers and their families.

But Army spokesmen denied that shutting down of the "charm school" at Ft. Lee, which has been the target of much congressional criticism, was necessarily the forerunner of any major cutback in the overall $21.3-million-a-year enlisted aide program.

The school—where volunteers learn how to serve food, lay out uniforms, mix drinks and bake petti fours among other things—will close July 13. But Army spokesmen said the enlisted aide program will continue through on-the-job training.

About 60 per cent of the 1,700 enlisted aides in the military learn their chores through the on-the-job training now rather than going through the Ft. Lee School.

The Army said the school will be shut down as the result of a review which indicated the men could be adequately trained without a formal course—which was costing about $360,000 a year. But a much broader review of the whole enlisted aide program by Defense Secretary Elliot L. Richardson is still under way.

Armed services committees in Congress have been pressing the Pentagon not only to shut down the school but to find some alternatives to using GIs as domestic helpers.

A General Accounting Office report earlier this year, which touched off much of the pressure to cut back the program, revealed that some enlisted aides were also performing as dog-walkers, babysitters and as chauffeurs for officers' dependents.

The Pentagon and the military services, however, have insisted that the program is necessary to relieve high-ranking officers—and their wives, who take on considerable social obligations—of some household duties so they concentrate on their military jobs.

Former Army Secretary Robert Froehlke has said he didn't want the Army Chief of Staff going home at 1 p.m. to mow the lawn.

But Sen. William Proxmire (D-Wis.), who has been the chief challenger of the enlisted aide program, says that generals and admirals who make more than $50,000 a year in salaries and benefits can afford to hire civilians to do such tasks.

Congressional committees were informed of the school closure earlier this week, and Proxmire called the move "a long overdue step toward elimination of aristocratic privileges for high-ranking military officers."

Proxmire also said he will press for passage of a bill to end the listed aide program entirely, and he has already called for all five members of the Joint Chiefs of Staff to release their "six to eight servants (each) as an example to the country and their fellow officers."

PREVENT CONTINUED POLLUTION OF LAKE HARTWELL RESERVOIR ON THE SAVANNAH RIVER

Mr. THURMOND. Mr. President, on March 9, 1973, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States and the President to take appropriate action to prevent continued pollution of the Lake Hartwell Reservoir on the Savannah River.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that this concurrent resolution be printed in the CONGRESSIONAL RECORD.

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

H. 1920

A concurrent resolution to memorialize the Congress of the United States and the President to take appropriate action to prevent continued pollution of the Lake Hartwell Reservoir on the Savannah River

Whereas, the federal government through the United States Corps of Army Engineers and other federal agencies created the Hartwell Dam and the Lake Hartwell Reservoir as a flood control and electric generating project; and

Whereas, the Lake Hartwell Reservoir is a beautiful and most needed recreation facility providing good fishing, attractive camping and residential sites and is enjoyed by tourists and residents of the entire State; and

Whereas, the pollution of the reservoir by the dumping of effluent and other contaminants now threatens the purity of the water in the lake and the desirability of the entire facility for recreational purposes; and

Whereas, since the Hartwell project is under the control and jurisdiction of the federal government, the government of this State is unable to control the environment of the area and needs the assistance of the United States Corps of Army Engineers, the Environmental Protection Agency and other federal agencies to prevent the further pollution of Lake Hartwell. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring: That the General Assembly hereby memorialize the Congress of the United States and the President to take appropriate action through all federal agencies concerned to prevent further pollution of the Lake Hartwell Reservoir on the Savannah River.

Be it further resolved that the General Assembly of South Carolina pledges its full support to the action herein requested and the assistance of all appropriate State agencies in the implementation thereof.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, each member of the South Carolina Congressional Delegation and the United States Corps of Army Engineers.

SENATOR STEVENSON'S STATEMENT ON NORTH SLOPE ENERGY RESOURCES ACT OF 1973 BEFORE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. STEVENSON. Mr. President, on May 2 I appeared before the Senate Committee on Interior and Insular Affairs in support of S. 1565, the North Slope Energy Resources Act of 1973. This legislation would provide for the first time a thorough study of the trans-Canadian pipeline route for North Slope oil. Congress must be provided with complete information on both the trans-Canadian and trans-Alaskan routes before it can make a decision on the proper route to bring the Alaskan oil to the Lower 48. I ask unanimous consent that my testimony on this important subject be printed in the RECORD.

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

STATEMENT BY SENATOR ADLAI E. STEVENSON III

I commend you, Mr. Chairman, and this Committee for providing an opportunity for both trans-Alaska pipeline proponents and trans-Canada pipeline proponents to appear before you. What I support is an informed decision—that's all we're asking.

For the past five years, the Alyeska Oil Consortium, the state government of Alaska, and the Department of the Interior have sought to prove the economic and environmental viability of the Alaskan route.

The position of the Alaskan government and the oil companies is understandable. Profits for both might be maximized, at least initially. I don't criticize either for pursuing their self interests. That is natural and understandable.

But, to draw from a comment made by Secretary Morton: "The problem is national, not regional. All our lives are affected by potential shortages, by the threat of excessive dependence on Middle Eastern sources." The alternative has not been studied.

By the early 1980's, close to two million barrels of crude oil a day will be available for transport to the lower 48 from the Alaskan oil fields. Where will that oil be most needed? Already, prices of crude oil per barrel are 20 percent higher in the Midwest than on the West Coast, 25 percent higher in New York than in Los Angeles. The growth in the overall demand for oil in the Eastern two-thirds of the nation has approached 5 percent per year. That oil will be most needed in the Midwest and on the East Coast.

By 1980, it is projected that the demand in Petroleum Administration District V, which consists of the West Coast states and Arizona, will stand at 3.1 million barrels of crude oil per day. Without North Slope oil, 1.6 million barrels per day of this demand would be required from imported oil, with .7 million barrels (or 23 percent) of oil required from Middle Eastern sources. In the Midwest by 1980, the demand is expected to reach 6.0 million barrels per day. Without Alaskan oil, fully 4.45 million barrels would be required from imports. Of that, it is estimated that 3.05 million barrels per day would be required from Middle East imports—or 51 percent of the total Midwest oil supply. A 51 percent dependency on Mid-East oil for any region is dangerous and excessive and unnecessary.

If the Alaskan oil were to reach the Midwest directly by a trans-Canada pipeline, the region's dependence on imported oil in general would be reduced from 4.45 million barrels per day to 3.1 million barrels per day, with a reduction of Middle East oil to 1.7 million (or 28 percent) barrels per day of the total oil intake. In sum, without Alaskan oil, the West Coast in 1980 would require only 23 percent of its total oil from the Middle East—5 percent less than the Middle West would require from the Middle East with direct delivery of Alaskan oil.

Mr. Chairman, on April 12 I joined Senators Mondale and Bayh and five other colleagues in the introduction of S. 1565, the North Slope Energy Resources Act of 1973. The purpose of this legislation is to provide the Congress with an opportunity to consider the feasibility of a trans-Canada pipeline and, at the end of eleven months time, choose the most desirable route for bringing the oil out of Alaska. Initially legislation we introduced mandated a trans-Canada pipeline. We then introduced S. 1565 to preclude the Secretary of the Interior from granting any rights-of-way in preparation for the construction of a delivery system for North Slope oil pending a decision by the Congress on the choice of a route. The purpose is to give the Congress the facts on the viability of a trans-Canada pipeline so it can make a responsible decision on the delivery system.

The provisions of this bill, in brief, include:

Granting the Secretary of the Interior temporary (two-year) power to grant rights-of-way wider than the 50-foot maximum currently imposed by the Mineral Leasing Act. This power applies to all projects other than the North Slope oil and gas resources.

Authorizing and requesting the President, through the Secretary of State, to enter negotiations with the Canadian government to determine within six months the feasibility of constructing and operating a trans-Canada corridor. The Secretary of State would, in turn, submit to the Congress his findings.

Instructing the National Science Foundation to conduct a nine-month study of the economic and environmental aspects of the Canadian pipeline. This study could serve as the environmental impact statement for compliance with the National Environmental Policy Act.

At the end of eleven months the Congress, armed with a full body of knowledge on the merits of both the trans-Canada and trans-Alaska routes, would be in a position to resolve the question of which delivery system to authorize.

Mr. Chairman, there are many questions that should be fully explored. Not only does the Canadian route bring the oil to the areas of the country that need it most; there are other strong arguments for such a delivery system.

The trans-Alaska route is plagued by environmental problems. Even the Department of Interior, in its impact statement, acknowledged: "Because of the scale and nature of the project, the impact would occur on abiotic, biotic, and socioeconomic components of the human environment far beyond the relatively small part . . . of Alaska that would be occupied by the pipeline and oil field."

That admission is surpassed in seriousness by the fact that the area is earthquake-prone. The danger of oil spills, on land and on sea, is tremendous and horrifying. On Good Friday, 1964, the site of Valdez recorded an earthquake of 8.4 on the Richter Scale, the most severe earthquake ever recorded in this hemisphere.

And yet we are asked to approve a delivery system which would have its terminus and loading port at Valdez, on Prince William Sound.

The major construction cost of the TCP is for a corridor from Prudhoe Bay through the Mackenzie River Valley to Edmonton, Alberta, some 1700 miles. In Edmonton, the existent interprovincial pipeline which now carries Canadian oil to Seattle and Chicago could be expanded or "looped" from Edmonton south at a fraction of the cost which would be necessitated by a new pipeline corridor. At an estimated cost of $1.2 million per mile from Prudhoe Bay to Edmonton, plus an additional $800 million in interest, the 1700 mile route could be completed for approximately $2.9 billion. With an additional $600 million (or $450,000 per mile) for looping, the overall capital costs in 1971 dollars would approximate $3.5 billion, a figure the same as some estimates of the cost for the trans-Alaska pipeline.

When total costs are computed the TCP cost may be lower by far. Oil from the ports of entry under the TAP system would have to be transported at substantial additional cost to the oil-short interior, including the Midwest. Those costs, like all transportation costs, will add to the nation's oil bill and must be factored into the cost of the Alaskan route. The TCP could cost substantially less than TAP.

Time is another consideration. None are more concerned about delay than those in the energy-starved Midwest. The initial gloomy predictions by the Interior Department that the construction of the Canadian route would require a three-to-five year delay have been virtually eliminated by the Court's ruling against rights-of-way under the Mineral Leasing Act. The broader legal question of compliance with NEPA remains to be litigated. The case of the trans-Alaska pipeline in the Courts is far from over, unless of course the Congress is prepared to carve out a special exemption from the Act. If that were done for this project, which poses environmental hazards far greater than any other project on which an impact statement has been filed, the Act would be seriously weakened.

S. 1565 would delay the decision on the route for a mere eleven months, bringing us to early 1974—far from the 1980 estimated date when those 2 million barrels per day would be available for delivery. And during that time the requirements of NEPA could be satisfied. It is even possible that S. 1565 could shorten the time before construction begins.

The Canadian government, although its overtures have been met with a cool reception by Secretary Morton, has expressed concern about the proposed TAP and a willingness to discuss a line through Canada. Its concern about TAP stems, in the words of Canadian Secretary of State for External Affairs Mitchell Sharp, from ". . . environmental grounds. We are strongly opposed and have made the most vigorous protests against the proposition that oil tankers should supply American refineries by passing through the Straits of Juan de Fuca and other of the narrow straits. . . . These are very narrow waters, there is a lot of traffic, and if there was to be an oil spill, it would damage for years and years to come the most beautiful part of the North American continent."

The argument has been made by the Department of the Interior that no applications to build an oil pipeline through Canada have been submitted. Secretary Sharp said, "If the oil companies concerned want to apply to build a pipeline through Canada, Canada is prepared to hear and to listen." Donald McDonald, Canadian Minister of Energy, Mines, and Resources, reenforced the position of Secretary Sharp, stating, "If the Americans came back and said to us, we've had second thoughts on the TAPs, we would like to take you up on your willingness to entertain an application about the oil line through the MacKenzie route, I think the interests of the West Coast (of Canada) would dictate that the government of Canada should enable that kind of application to go ahead."

Mr. Chairman, if the oil companies are mandated by this Congress to use a route through Canada, they will find a way to bring that oil to the lower 48. They are not known for abandoning vast oil reserves in the face of what they might consider to be an inconvenience or a temporary setback in their accustomed rates of return.

Before anyone ascribes a position or motives to the Canadians, let us talk with the Canadian government through the Secretary of State. Let us hear them out on the questions of ownership and financing of the Canadian sector of a trans-Canadian corridor. It is entirely possible that the Canadian route would prove to be economically preferable, environmentally preferable and also strategically preferable to a route subject to interdiction on sea and on land.

This issue is where it belongs, in the Congress. I am hopeful the Congress will permit itself a full consideration of the options. Otherwise it could, in the words of one newspaper, negate the "essence of the democratic process. And that process is a treasure that outweighs all the oil in Alaska."

HOW THE POW'S FOUGHT BACK

Mr. BUCKLEY. Mr. President, U.S. News & World Report, May 14, 1973, contains an interview with Lieut. Comdr. John S. McCain III. Commander McCain, son of Adm. John S. McCain, was a prisoner of the North Vietnamese for 5½ years. His interview is a remarkable story of courage, patriotism and endurance. It also documents the inhuman treatment of American prisoners by the North Vietnamese.

Commander McCain praised President Nixon for the courageous decisions which helped to bring American prisoners home. Speaking of the mining, the blockade and the bombing in December of 1972, Commander McCain writes:

I know it was very, very difficult for him to do that, but that was the thing that ended the war.

I think words like that from a man like Commander McCain are the highest possible tribute to President Nixon's handling of the Vietnam war. These words—indeed, the entire interview—remind all of us of the leadership demonstrated by President Nixon in getting our prisoners home.

I now ask unanimous consent that the entire interview with Commander McCain be printed in the RECORD:

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

HOW THE POW'S FOUGHT BACK

(By John S. McCain III, lieutenant commander, U.S. Navy)

Of the many personal accounts coming to light about the almost unbelievably cruel treatment accorded American prisoners of war in Vietnam, none is more dramatic than that of Lieut. Commander John S. McCain III—Navy flier, son of the admiral who commanded the war in the Pacific, and a prisoner who came in for "special attention" during 5½ years of captivity in North Vietnam.

Now that all acknowledged prisoners are back and a self-imposed seal of silence is off, Commander McCain is free to answer the questions many Americans have asked:

What was it really like? How prolonged were the tortures and brutality? How did the captured U.S. airmen bear up under the mistreatment—and years spent in solitary? How did they preserve their sanity? Did visiting "peace groups' really add to their troubles? How can this country's military men be conditioned to face such treatment in the future without crumbling?

Here, in his own words, based on almost total recall, is Commander McCain's narrative of 5½ years in the hands of the North Vietnamese.

The date was Oct. 26, 1967, I was on my 23rd mission, flying right over the heart of Hanoi in a dive at about 4,500 feet, when a Russian missile the size of a telephone pole came up—the sky was full of them—and blew the right wing off my Skyhawk dive bomber. It went into an inverted, almost straight-down spin.

I pulled the ejection handle, and was knocked unconscious by the force of the ejection—the air speed was about 500 knots. I didn't realize it at the moment, but I had broken my right leg around the knee, my right arm in three places, and my left arm. I regained consciousness just before I landed by parachute in a lake right in the center of Hanoi, one they called the Western Lake. My helmet and my oxygen mask had been blown off.

I hit the water and sank to the bottom. I think the lake is about 15 deep feet, maybe 20. I kicked off the bottom. I did not feel any pain at the time, and was able to rise to the surface. I took a breath of air and started sinking again. Of course, I was wearing 50 pounds, at least, of equipment and gear. I went down and managed to kick up to the surface once more. I couldn't understand why I couldn't use my right leg or

my arm. I was in a dazed condition. I went up to the top again and sank back down. This time I couldn't get back to the surface. I was wearing an inflatable life-preserver-type thing that looked like water wings. I reached down with my mouth and got the toggle between my teeth and inflated the preserver and finally floated to the top.

Some North Vietnamese swam out and pulled me to the side of the lake and immediately started stripping me, which is their standard procedure. Of course, this being in the center of town, a huge crowd of people gathered, and they were all hollering and screaming and cursing and spitting and kicking at me.

When they had most of my clothes off, I felt a twinge in my right knee. I sat up and looked at it, and my right foot was resting next to my left knee, just in a 90-degree position. I said, "My God—my leg!" That seemed to enrage them—I don't know why. One of them slammed a rifle butt down on my shoulder, and smashed it pretty badly. Another stuck a bayonet in my foot. The mob was really getting up-tight.

About this time, a guy came up and started yelling at the crowd to leave me alone. A woman came over and propped me up and held a cup of tea to my lips, and some photographers took some pictures. This quieted the crowd down quite a bit. Pretty soon, they put me on a stretcher, lifted it onto a truck, and took me to Hanoi's main prison. I was taken into a cell and put on the floor. I was still on the stretcher, dressed only in my skivvies, with a blanket over me.

For the next three or four days, I lapsed from consciousness to unconsciousness. During this time, I was taken out to interrogation—which we called a "quiz"—several times. That's when I was hit with all sorts of war-criminal charges. This started on the first day. I refused to give them anything except my name, rank, serial number and date of birth. They beat me around a little bit. I was in such bad shape that when they hit me it would knock me unconscious. They kept saying, "You will not receive any medical treatment until you talk."

I didn't believe this. I thought that if I just held out, that they'd take me to the hospital. I was fed small amounts of food by the guard and also allowed to drink some water. I was able to hold the water down, but I kept vomiting the food.

They wanted military rather than political information at this time. Every time they asked me something, I'd just give my name, rank and serial number and date of birth.

I think it was on the fourth day that two guards came in, instead of one. One of them pulled back the blanket to show the other guard my injury. I looked at my knee. It was about the size, shape and color of a football. I remembered that when I was a flying instructor a fellow had ejected from his plane and broken his thigh. He had gone into shock, the blood had pooled in his leg, and he died, which came as quite a surprise to us—a man dying of a broken leg. Then I realized that a very similar thing was happening to me.

When I saw it, I said to the guard, "O.K., get the officer." An officer came in after a few minutes. It was the man that we came to know very well as "The Bug." He was a psychotic torturer, one of the worst fiends that we had to deal with. I said, "O.K., I'll give you military information if you will take me to the hospital." He left and came back with a doctor, a guy that we called "Zorba," who was completely incompetent. He squatted down, took my pulse. He did not speak English, but shook his head and jabbered to "The Bug." I asked, "Are you going to take me to the hospital?" "The Bug" replied, "It's too late." I said, "If you take me to the hospital, I'll get well."

"Zorba" took my pulse again, and repeated, "It's too late." They got up and left, and I lapsed into unconsciousness.

Sometime later, "The Bug" came rushing into the room, shouting, "Your father is a big admiral; now we take you to the hospital."

I tell the story to make this point: There were hardly any amputees among the prisoners who came back because the North Vietnamese just would not give medical treatment to someone who was badly injured—they weren't going to waste their time. For one thing, in the transition from the kind of life we lead in America to the filth and dirt and infection, it would be very difficult for a guy to live anyway. In fact, my treatment in the hospital almost killed me.

I woke up a couple of times in the next three or four days. Plasma and blood were being put into me. I became fairly lucid. I was in a room which was not particularly small—about 15 by 15 feet—but it was filthy dirty and at a lower level, so that every time it rained, there'd be about a half inch to an inch of water on the floor. I was not washed once while I was in the hospital. I almost never saw a doctor or a nurse. Doctors came in a couple of times to look at me. They spoke French, not English.

For a guard, I was assigned a 16-year-old kid—right out of the rice fields. His favorite pastime was to sit by my bed and read a book that had a picture in it of an old man with a rifle in his hand sitting on a fuselage of an F-105 which had been shot down. He would point to himself, and slap me and hit me. He had a lot of fun that way. He fed me because both my arms were broken. He would come in with a cup that had noodles and some gristle in it, and fill a spoon and put it in my mouth. The gristle was very hard to chew. I'd get my mouth full after three or four spoonfuls, and I'd be chewing away on it. I couldn't take any more in my mouth, so he'd just eat the rest himself. I was getting about three or four spoonfuls of food twice a day. It got so that I didn't give a damn—even though I tried as hard as I could to get enough to eat.

After I had been there about 10 days, a "gook"—which is what we called the North Vietnamese—came in one morning. This man spoke English very well. He asked me how I was, and said, "We have a Frenchman who is here in Hanoi visiting, and he would like to take a message back to your family." Being a little naive at the time—you get smarter as you go along with these people—I figured this wasn't a bad deal at all, if this guy would come to see me and go back and tell my family that I was alive.

I didn't know at the time that my name had been released in a rather big propaganda splash by the North Vietnamese, and that they were very happy to have captured me. They told a number of my friends when I was captured, "We have the crown prince," which was somewhat amusing to me.

"IT LOOKED TO MANY AS IF I HAD BEEN DRUGGED"

They told me that the Frenchman would visit me that evening. About noon, I was put in a rolling stretcher and taken to a treatment room where they tried to put a cast on my right arm. They had great difficulty putting the bones together, because my arm was broken in three places and there were two floating bones. I watched the guy try to manipulate it for about an hour and a half trying to get all the bones lined up. This was without benefit of Novocain. It was an extremely painful experience, and I passed out a number of times. He finally just gave up and slapped a chest cast on me. This experience was very fatiguing, and was the reason why later, when some TV film was taken, it looked to many people as if I had been drugged.

When this was over, they took me into a big room with a nice white bed. I thought, "Boy, things are really looking up." My guard said, "Now you're going to be in your new room."

About an hour later in came a guy called "The Cat." I found out later that he was the man who up until late 1969 was in charge of all the POW camps in Hanoi. He was a rather dapper sort, one of the petty intelligentsia that run North Vietnam. He was from the political bureau of the Vietnamese Workers Party.

The first thing he did was show me Col. John Flynn's identification card—now Gen. John Flynn—who was our senior officer. He was shot down the same day I was. "The Cat" said—through an interpreter, as he was not speaking English at this time—"The French television man is coming in." I said, "Well, I don't think I want to be filmed," whereupon, he announced, "You need two operations, and if you don't talk to him, then we will take your chest cast off and you won't get any operation." He said, "You will say that you're grateful to the Vietnamese people, and that you're sorry for your crimes." I told him I wouldn't do that.

Finally, the Frenchman came in, a man named Chalais—a Communist, as I found out later—with two photographers. He asked me about my treatment and I told him it was satisfactory. "The Cat" and "Chihuahua," another interrogrator, were in the background telling me to say that I was grateful for lenient and humane treatment. I refused, and when they pressed me, Chalais said, "I think what he told me is sufficient."

Then he asked if I had a message for my family. I told him to assure my wife and others of my family that I was getting well and that I loved them. Again, in the background, "The Cat" insisted that I add something about hoping that the war would be over soon so that I could go home. Chalais shut him up very firmly by saying that he was satisfied with my answer. He helped me out of a difficult spot.

Chalais was from Paris. My wife later went to see him and he gave her a copy of the film, which was shown on CBS television in the U.S."

As soon as he left, they put me on the cart and took me back to my old dirty room.

After that, many visitors came to talk to me. Not all of it was for interrogation. Once a famous North Vietnamese writer—an old man with a Ho Chi Minh beard—came to my room, wanting to know all about Ernest Hemingway. I hold him that Ernest Hemingway was violent anti-Communist. It gave him something to think about.

Others came in to find out about life in the United States. They figured because my father had such high military rank that I was of the royalty or the governing circle. They have no idea of the way our democracy functions.

One of the men who came to see me, whose picture I recognized later, was Gen. Vo Niguyen Giap, the hero if Dienbienphu. He came to see what I looked like, saying nothing. He is the Minister of Defense, and also on North Vietam's ruling Central Committee.

After about two weeks, I was given an operation on my leg which was filmed. They never did anything for by broken left arm. It healed by itself. They said I needed two operations on my leg, but because I had a "bad attitude" they wouldn't give me another one. What kind of job they did on my leg, I do not know. Now that I'm back, an orthopedic surgeon is going to cut in and see. He has already told me that they made the incision wrong and cut all the ligaments on one side.

I was in the hospital about six weeks, then was taken to a camp in Hanoi that we called "The Plantation." This was in late December, 1967. I was put in a cell with two other men, George Day and Norris Overly, both Air Force majors. I was on a stretcher, my leg was stiff and I was still in a chest cast that I kept for about two months. I was down to about 100 pounds from my normal weight of 155.

I was told later on by Major Day that they didn't expect me to live a week. I was unable to sit up. I was sleeping about 18 hours, 20

hours a day. They had to do everything for me. They were allowed to get a bucket of water and wash me off occasionally. They fed me and took fine care of me, and I recovered very rapidly.

We moved to another room just after Christmas. In early February, 1968, Overly was taken out of our room and released, along with David Matheny and John Black. They were the first three POW's to be released by the North Vietnamese. I understand they had instructions, once home, to say nothing about treatment, so as not to jeopardize those of us still in captivity.

That left Day and me alone together. He was rather bunged up himself—a bad right arm, which he still has. He had escaped after he had been captured down South and was shot when they recaptured him. As soon as I was able to walk, which was in March of 1968, Day was moved out.

I remained in solitary confinement from that time on for more than two years. I was not allowed to see or talk to or communicate with any of my fellow prisoners. My room was fairly decent-sized—I'd say it was about 10 by 10. The door was solid. There were no windows. The only ventilation came from two small holes at the top in the ceiling, about 6 inches by 4 inches. The roof was tin and it got hot as hell in there. The room was kind of dim—night and day—but they always kept on a small light bulb, so they could observe me. I was in that place for two years.

COMMUNICATION WAS VITAL FOR SURVIVAL

As far as this business of solitary confinement goes—the most important thing for survival is communication with someone, even if it's only a wave or a wink, a tap on the wall, or to have a guy put his thumb up. It makes all the difference.

It's vital to keep your mind occupied, and we all worked on that. Some guys were interested in mathematics, so they worked out complex formulas in their heads—we were never allowed to have writing materials. Others would build a whole house, from basement on up. I have more of a philosophical bent. I had read a lot of history. I spent days on end going back over those history books in my mind, figuring out where this country or that country went wrong, what the U. S. should do in the area of foreign affairs. I thought a lot about the meaning of life.

It was easy to lapse into fantasies. I used to write books and plays in my mind, but I doubt that any of them would have been above the level of the cheapest dime novel.

People have asked me how we could remember detailed things like the tap code, numbers, names, all sorts of things. The fact is, when you don't have anything else to think about, no outside distractions, it's easy. Since I've been back, it's very hard for me to remember simple things, like the name of someone I've just met.

During one period while I was in solitary, I memorized the names of all 335 of the men who were then prisoners of war in North Vietnam. I can still remember them.

One thing you have to fight is worry. It's easy to get uptight about your physical condition. One time I had a hell of a hemorrhoid and I stewed about it for about three days. Finally, I said, "Look, McCain, you've never known of a single guy who died of a hemorrhoid." So I just ignored it as best I could, and after a few months it went away.

The story of Ernie Brace illustrates how vital communication was to us. While I was in the prison we called "The Plantation" in October, 1968, there was a room behind me. I heard some noise in there so I started tapping on the wall. Our call-up sign was the old "shave and a haircut," and then the other guy would come back with the two taps, "six bits."

For two weeks I got no answer, but finally, back came the two taps. I started tapping out the alphabet—one tap for "a," two for "b," and so on. Then I said, "Put your ear to the wall." I finally got him up on the wall and by putting my cup against it, I could talk through it and make him hear me. I gave him the tap code and other information. He gave me his name—Ernie Brace. About that time, the guard came around and I told Ernie, "O.K., I'll call you tomorrow."

It took me several days to get him back up on the wall again. When I finally did, all he could say was "I'm Ernie Brace," and then he'd start sobbing. After about two days he was able to control his emotions, and within a week this guy was tapping and communicating and dropping notes, and from then on he did a truly outstanding job.

Ernie was a civilian pilot who was shot down over Laos. He had just come from 3½ years' living in a bamboo cage in the jungle with his feet in stocks, and an iron collar around his neck with a rope tied to it. He had nearly lost use of his legs. He escaped three times, and after the third time he was buried in the ground up to his neck.

In those days—still in 1968—we were allowed to bathe every other day, supposedly. But in this camp they had a water problem, and sometimes we'd go for two or three weeks, a month without a bath. I had a real rat for a turnkey who usually would take me out last. The bath was a sort of a stall-like affair that had a concrete tub. After everyone else had bathed, there usually was no water left. So I'd stand there for my allotted five minutes and then he'd take me back to my room.

For toilet facilities, I had a bucket with a lid that didn't fit. It was emptied daily; they'd have somebody else carry it, because I walked so badly.

From the time that Overly and Day left me—Overly left in February of 1968, Day left in March—my treatment was basically good. I would get caught communicating, talking to guys through the wall, tapping—that kind of stuff, and they'd just say, "Tsk, tsk; no, no." Really, I thought things were not too bad.

Then, about June 15, 1968, I was taken up one night to the interrogation room. "The Cat" and another man that we called "The Rabbit" were there. "The Rabbit" spoke very good English.

"The Cat" was the commander of all the camps at that time. He was making believe he didn't speak English, although it was obvious to me, after some conversation, that he did, because he was asking questions or talking before "The Rabbit" translated what I had said.

The Oriental, as you may know, likes to beat around the bush quite a bit. The first night we sat there and "The Cat" talked to me for about two hours. I didn't know what he was driving at. He told me that he had run the French POW camps in the early 1950s and that he had released a couple of guys, and that he had seen them just recently and they had thanked him for his kindness. He said that Overly had gone home "with honor."

THEY TOLD ME I'D NEVER GO HOME

I really didn't know what to think, because I had been having these other interrogations in which I had refused to co-operate. It was not hard because they were not torturing me at this time. They just told me I'd never go home and I was going to be tried as a war criminal. That was their constant theme for many months.

Suddenly "The Cat" said to me, "Do you want to go home?"

I was astonished, and I tell you frankly that I said that I would have to think about it. I went to my room, and I thought about it for a long time. At this time I did not have communication with the camp senior ranking officer, so I could get no advice. I was worried whether I could stay alive or not, because I was in rather bad condition. I had been hit with a severe case of dysentery, which kept on for about a year and a half. I was losing weight again.

But I knew that the Code of Conduct says, "You will not accept parole or amnesty," and that "you will not accept special favors." For somebody to go home earlier is a special favor. There's no other way you can cut it.

I went back to him three nights later. He asked me again, "Do you want to go home?" I told him "No." He wanted to know why, and I told him the reason. I said that Alvarez [first American captured] should go first, then enlisted men and that kind of stuff.

"The Cat" told me that President Lyndon Johnson had ordered me home. He handed me a letter from my wife, in which she had said, "I wished that you had been one of those three who got to come home." Of course, she had no way to understand the ramifications of this. "The Cat" said that the doctors had told him that I could not live unless I got medical treatment in the United States.

We went through this routine and still I told him "No." Three nights later we went through it all over again. On the morning of the Fourth of July, 1968, which happened to be the same day that my father took over as commander in chief of U.S. Forces in the Pacific, I was led into another quiz room.

"The Rabbit" and "The Cat" were sitting there. I walked in and sat down, and "The Rabbit" said, "Our senior officer wants to know your final answer."

"My final answer is the same. It's 'No.'"

"That is your final answer?"

"That is my final answer."

With this "The Cat," who was sitting there with a pile of papers in front of him and a pen in his hand, broke the pen in two. Ink spurted all over. He stood up, knocked the chair over behind him, and said, "They taught you too well. They taught you too well"—in perfect English, I might add. He turned, went out and slammed the door, leaving "The Rabbit" and me sitting there. "The Rabbit" said, "Now, McCain, it will be very bad for you. Go back to your room."

What they wanted, of course, was to send me home at the same time that my father took over as commander in chief in the Pacific. This would have made them look very humane in releasing the injured son of a top U.S. officer. It would also have given them a great lever against my fellow prisoners, because the North Vietnamese were always putting this "class" business on us. They could have said to the others, "Look you poor devils, the son of the man who is running the war has gone home and left you here. No one cares about you ordinary fellows." I was determined at all times to prevent any exploitation of my father and my family.

There was another consideration for me. Even though I was told I would not have to sign any statements or confessions before I went home, I didn't believe them. They would have got me right up to that airplane and said, "Now just sign this little statement." At that point, I doubt that I could have resisted, even though I felt very strong at the time.

But the primary thing I considered was that I had no right to go ahead of men like Alvarez, who had been there three years before I "got killed"—that's what we used to say instead of "before I got shot down," because in a way becoming a prisoner in North Vietnam was like being killed.

About a month and a half later, when the three men who were selected for release had reached America. I was set up for some very severe treatment which lasted for the next year and a half.

One night the guards came to my room and said, "The camp commander wants to see you." This man was a particularly idiotic individual. We called him "Slopehead."

One thing I should mention here: The camps were set up very similar to their Army. They had a camp commander, who was a military man, basically in charge of the maintenance of the camp, the food, etc. Then they had what they called a staff officer—

actually a political officer—who was in charge of the interrogations, and provided the propaganda heard on the radio.

We also had a guy in our camp whom we named "The Soft-Soap Fairy." He was from an important family in North Vietnam. He wore a fancy uniform and was a real sharp cookie, with a dominant position in this camp. "The Soft-Soap Fairy," who was somewhat effeminate, was the nice guy, and the camp commander—"Slopehead"—was the bad guy. "Old "Soft-Soap" would always come in whenever anything went wrong and say, "Oh, I didn't know they did this to you. All you had to do was co-operate and everything would have been O.K."

To get back to the story: They took me out of my room to "Slopehead," who said, "You have violated all the camp regulations. You're a black criminal. You must confess your crimes." I said that I wouldn't do that, and he asked, "Why are you so disrespectful of guards?" I answered, "Because the guards treat me like an animal."

When I said that, the guards, who were all in the room—about 10 of them—really laid into me. They bounced me from pillar to post kicking and laughing and scratching. After a few hours of that, ropes were put on me and I sat that night bound with ropes. Then I was taken to a small room. For punishment they would almost always take you to another room where you didn't have a mosquito net or a bed or any clothes. For the next four days, I was beaten every two to three hours by different guards. My left arm was broken again and my ribs were cracked.

They wanted a statement saying that I was sorry for the crimes that I had committed against North Vietnamese people and that I was grateful for the treatment that I had received from them. This was the paradox—so many guys were so mistreated to get them to say they were grateful. But this is the Communist way.

I held out for four days. Finally, I reached the lowest point of my 5½ years in North Vietnam. I was at the point of suicide, because I saw that I was reaching the end of my rope.

I said, O.K., I'll write for them.

They took me up into one of the interrogation rooms, and for the next 12 hours we wrote and rewrote. The North Vietnamese interrogator, who was pretty stupid, wrote the final confession, and I signed it. It was in their language, and spoke about black crimes, and other generalities. It was unacceptable to them. But I felt just terrible about it. I kept saying to myself, "Oh, God, I really didn't have any choice." I had learned what we all learned over there: Every man has his breaking point. I had reached mine.

Then the "gooks" made a very serious mistake, because they let me go back and rest for a couple of weeks. They usually didn't do that with guys when they had them really busted. I think it concerned them that my arm was broken, and they had messed up my leg. I had been reduced to an animal during this period of beating and torture. My arm was so painful I couldn't get up off the floor. With the dysentery, it was a very unpleasant time.

Thank God they let me rest for a couple of weeks. Then they called me up again and wanted something else. I don't remember what it was now—it was some kind of statement. This time I was able to resist. I was able to carry on. They couldn't "bust" me again.

PRAYER: I WAS SUSTAINED IN TIMES OF TRIAL

I was finding that prayer helped. It wasn't a question of asking for superhuman strength or for God to strike the North Vietnamese dead. It was asking for moral and physical courage, for guidance and wisdom to do the right thing. I asked for comfort when I was in pain, and sometimes I received relief. I was sustained in many times of trial.

When the pressure was on, you seemed to go one way or the other. Either it was easier for them to break you the next time, or it was harder. In other words, if you are going to make it, you get tougher as time goes by. Part of it is just a transition from our way of life to that way of life. But you get to hate them so bad that it gives you strength.

Now I don't hate them any more—not these particular guys. I hate and despise the leaders. Some guards would just come in and do their job. When they were told to beat you they would come in and do it. Some seemed to get a big bang out of it. A lot of them were homosexual, although never toward us. Some, who were pretty damned sadistic, seemed to get a big thrill out of the beatings.

From that time on it was one round of rough treatment followed by another. Sometimes I got it three or four times a week. Sometimes I'd be off the hook for a few weeks. A lot of it was my own doing, because they realized far better than we did at first the value of communicating with our fellow Americans. When they caught us communicating, they'd take severe reprisals. I was caught a lot of times. One reason was because I'm not too smart, and the other reason was because I lived alone. If you live with somebody else you have somebody helping you out, helping you survive.

But I was never going to stop. Communication with your fellow prisoners was of the utmost value—the difference between being able to resist and not being able to resist. You may get some argument from other prisoners on that. A lot depends on the individual. Some men are much more self-sufficient than others.

Communication primarily served to keep up morale. We would risk getting beat up just to tell a man that one of his friends had gotten a letter from home. But it was also valuable to establish a chain of command in our camps, so our senior officers could give us advice and guidance.

So this was a period of repeated, severe treatment. It lasted until around October of '69. They wanted me to see delegations. There were antiwar groups coming into Hanoi, a lot of foreigners—Cubans, Russians. I don't think we had too many American "peaceniks" that early, although within the next year it got much greater. I refused to see any of them. The propaganda value to them would have been too great, with my dad as commander in the Pacific.

David Dellinger came over. Tom Hayden came over. Three groups of released prisoners, in fact, were let out in custody of the "peace groups." The first ones released went home with one of the Berrigan brothers. The next peace group was a whole crew. One of them was James Johnson, one of the Fort Hood Three. The wife of the "Ramparts" magazine editor and Rennie Davis were along. Altogether, I think about eight or nine of them were in that outfit. Then a third group followed.

The North Vietnamese wanted me to meet with all of them, but I was able to avoid it. A lot of times you couldn't face them down, so you had to try to get around them. "Face" is a big thing with these people, you know, and if you could get around them so that they could save face, then it was a lot easier.

For example, they would beat the hell out of me and say I was going to see a delegation. I'd respond that, O.K., I'd see a delegation, but I would not say anything against my country and I would not say anything about my treatment, and if asked, I'd tell them the truth about the condition I was kept under. They went back and conferred on that, and then would say, "You have agreed to see a delegation, so we will take you." But they never took me, you see.

One time, they wanted me to write a message to my fellow prisoners at Christmas. I wrote down:

"To my friends in the camp who I have not been allowed to see or speak to, I hope that your families are well and happy, and I hope that you will be able to write and receive letters in accordance with the Geneva Convention of 1949 which has not been allowed to you by our captors. And may God bless you."

They took it but, of course, it was never published. In other words, sometimes it was better to write something that was laudatory to your Government or against them than say, "I won't write at all"—because a lot of times it had to go up through channels, and sometimes you could buy time this way.

HOW DICK STRATTON WAS "REALLY WRUNG OUT"

At this point I want to tell you the story of Capt. Dick Stratton. He was shot down in May of 1967, when the American peace groups were claiming that the United States was bombing Hanoi. We were not at that time.

Dick was shot down well outside of Hanoi, but they wanted a confession at the time an American reporter was over there. That was in the spring and summer of '67—remember those stories that came back, very sensational stories about the American bomb damage?

"The Rabbit" and the others worked on Dick Stratton very hard. He's got huge rope scars on his arms where they were infected. They really wrung him out, because they were going to get a confession that he had bombed Hanoi—this was to be living proof. They also peeled his thumbnails back and burned him with cigarettes.

Dick reached the point where he couldn't say "No." But when they got him to the press conference, he pulled this bowing act on them—be bowed 90 degrees in this direction, he bowed 90 degrees in that direction—four quadrants. This was not too wild to the "gooks," because they're used to the bowing thing. But any American who sees a picture of another American bowing to the waist every turn for 90 degrees knows that there's something wrong with the guy, that something has happened to him. That's why Dick did what he did. After that they continued to keep pressure on him to say he wasn't tortured. They tortured him to say that he wasn't tortured. It gets to be a bad merry-go-round to be on.

Dick made some very strong statements at his press conference here in the States a few weeks ago. He said he wanted the North Vietnamese charged with war crimes. He's a fine man. He and I were at "The Plantation" together for a long time, and he did a very fine job there. He's an outstanding naval officer, a very dedicated American, and a deeply religious man.

I think a great deal of Dick Stratton. He just was very, very unfortunate in getting the worst that the "gooks" could dish out.

We had a particularly bad spring and summer in 1969 because there had been an escape at one of the other camps. Our guys carried out a well-prepared plan but were caught. They were Ed Atterberry and John Dramesi. Atterberry was beaten to death after the escape.

There's no question about it: Dramesi saw Atterberry taken into a room and heard the beating start. Atterberry never came out. Dramesi, if he wasn't such a tough cookie, would probably have been killed, too. He's probably one of the toughest guys I've ever met—from south Philly. His old man was a pro boxer, and he was a wrestler in college.

The reprisals took place all through the other camps. They started torturing us for our escape plans. The food got worse. The room inspections became very severe. You couldn't have anything in your room—nothing. For example, they used to give us, once in a while, a little vial of iodine because many of us had boils. Now they wouldn't let us have it because Dramesi and Atterberry had used iodine to darken their skin before they tried to escape, so they would look like Vietnamese.

That summer, from May to about September at our camp, twice a day for six days a week, all we had was pumpkin soup and bread. That's a pretty rough diet—first, because you get awfully damn tired of pumpkin soup, but also because it doesn't have any real nutritional value. The only thing that

could keep any weight on you was the bread, which was full of lumps of soggy flour.

On Sunday we got what we called sweet bean soup. They would take some small beans and throw them in a pot with a lot of sugar and cook it up, with no meat whatsoever. A lot of us became thin and emaciated.

I had the singular misfortune to get caught communicating four times in the month of May of 1969. They had a punishment room right across the courtyard from my cell, and I ended up spending a lot of time over there.

It was also in May, 1969, that they wanted me to write—as I remember—a letter to U.S. pilots who were flying over North Vietnam asking them not to do it. I was being forced to stand up continuously—sometimes they'd make you stand up or sit on a stool for a long period of time. I'd stood up for a couple of days, with a respite only because one of the guards—the only real human being that I ever met over there—let me lie down for a couple of hours while he was on watch the middle of one night.

One of the strategies we worked out was not to let them make you break yourself. If you get tired of standing, just sit down—make them force you up. So I sat down, and this little guard who was a particularly hateful man came in and jumped up and down on my knee. After this I had to go back on a crutch for the next year and a half.

That was a long, difficult summer. Then suddenly, in October, 1969, there were drastic changes around the camp. The torture stopped. "The Soft-Soap Fairy" came to my room one day and told me that I would get a roommate. The food improved greatly and we started getting extra rations. The guards seemed almost friendly. For example, I had a turnkey who used to just bash me around for drill. The door would open—and he'd come in and start slugging me. They stopped that kind of thing. I attribute all this directly to the propaganda effort that was directed by the Administration and the people in the United States in 1969.

My younger brother, Joe, was very active in the National League of Families of American Prisoners of War and Missing in Action in Southeast Asia. That was the umbrella for all the POW family groups. So he has filled me in on why the North Vietnamese attitude toward the American prisoners changed, and given me this information:

As the bombing of the North picked up in 1965, 1966, Hanoi made its first propaganda display by parading beaten, subjugated American pilots through the streets. To their surpise, the press reaction around the world was generally negative.

Next, the North Vietnamese tried the tactic of forcing Cdr. Dick Stratton to appear and apologize for war crimes. But he had obviously been mistreated, and was doing this only under extreme duress. That backfired, too. They followed this by releasing two groups of three POW's in February and October, 1968. These men had been there less than six months and had suffered no significant weight loss and were in pretty good shape.

Until the Nixon Administration came to office in 1969, the Government back home had taken the attitude: "Don't talk about the prisoner-of-war situation lest you hurt the Americans still over there." Secretary of Defense Melvin Laird, early in 1969, went over to the peace talks with the North Vietnamese and Viet Cong in Paris. [Talks had begun under President Johnson late in 1968.] Laird took pictures of severely beaten men, such as Frishman, Stratton, Hegdahl—all of whom had suffered extreme weight loss. He got the photos through foreign news services. He told the North Vietnamese: "The Geneva Convention says that you shall release all sick wounded prisoners. These men are sick and wounded. Why aren't they released?"

In August, 1969, Hanoi let Frishman come home. He had no elbow—just a limp rubbery arm—and he had lost 65 pounds. Hegdahl came out and had lost 75 pounds. Also released was Wes Rumbull, who was in a body cast because of a broken back.

Frishman was allowed to hold a press conference and spilled out the details of torture and maltreatment. Headlines appeared all over the world, and from then on, starting in the fall of 1969, the treatment began to improve. We think this was directly attributable to the fact that Frishman was living proof of the mistreatment of Americans.

I'm proud of the part Joe and my wife, Carol, played here at home. The temptation for the wives, as the year went by, was to say, "God, I want them home under any circumstances." When Carol was pressed to take this line, her answer was, "just to get him home is not enough for me, and it's not enough for John—I want him to come home standing up."

I received very few letters from Carol. I got three in the first four months after I was shot down. The "gooks" let me have only one during the last four years I was there. I received my first package in May of 1969. After that, they let me have approximately one a year.

The reason I got so little mail was that Carol insisted on using the channels provided by the Geneva Convention for treatment of prisoners of war. She refused to send things through the Committee for Liaison with Families run by the antiwar group.

This brings me to something that I want to discuss in more detail.

As you may know, back in 1954, the North Vietnamese had a big hand in toppling the French Government in Paris because the French voters had no more stomach for the Vietnam war their Government was waging at the time. That was the way the North Vietnamese won in 1954—they didn't win in Vietnam.

The French agreed to pull out of Indo-China with no questions asked when they signed the agreement. As a result, they got back just one third of their POW's.

I'm convinced that Hanoi hoped to win in our case by undermining morale among the people at home in America. They had to marshal world opinion on their side. I remember in 1968 or '69 [North Vietnam Premier] Pham Van Dong's speech to the National Assembly, because we were blasted with these things on the loud-speakers. The title of his address was, "The Whole World Supports Us," not, "We Have Defeated the U.S. Aggressors," or anything like that.

In 1969, after the three guys who were released went back to the U.S. and told about the brutality in the POW camps, President Nixon gave the green light to publicizing this fact. It brought a drastic change in our treatment. And I thank God for it, because if it hadn't been for that a lot of us would never have returned.

Just one small example of the way things improved: Over my door were some bars, covered by a wooden board to keep me from seeing out, and to block ventilation. One night, around the end of September, 1969, "Slopehead," the camp commander himself, came around and pulled this thing off, so that I could have some ventilation. I couldn't believe it. Every night from then on they pulled that transom so I could get some ventilation. We started bathing more often. It was all very amazing.

In December of 1969 I was moved from "The Pentagon" over to "Las Vegas," "Las Vegas" was a small area of Hoala Prison which was built by the French in 1945. It was known as the "Hanoi Hilton" to Americans. "Heartbreak Hotel" is also there—that's the first place that people were usually taken for their initial interrogation and then funneled out to other camps.

This whole prison is an area of about two city blocks. At "Las Vegas," I was put in a small building of just three rooms called the ""Gold Nugget." We named the buildings after the hotels in Vegas—there was the "Thunderbird," "Stardust," "Riviera," "Gold Nugget" and the "Desert Inn."

I was moved into the "Gold Nugget" and immediately I was able to establish communications with the men around the camp, because the bath area was right out my window, and I could see through cracks in the doors of the bath and we would communicate that way. I stayed in that one, in solitary confinement, until March of 1970.

There was pressure to see American antiwar delegations, which seemed to increase as the time went on. But there wasn't any torture. In January of 1970, I was taken to a quiz with "The Cat." He told me that he wanted me to see a foreign guest. I told him what I had always told him before: that I would see the visitor, but I would not say anything against my country, and if I was asked about my treatment I would tell them how harsh it was. Much to my shock and surprise he said, "Fine, you don't have to say anything." I told him I'd have to think about it. I went back to my room and I asked the senior American officer in our area what his opinion was, and he said he thought that I should go ahead.

So I went to see this visitor who said he was from Spain, but who I later heard was from Cuba. He never asked me any questions about controversial subjects or my treatment or my feelings about the war. I told him I had no remorse about what I did, and that I would do it over again if the same opportunity presented itself. That seemed to make him angry, because he was a sympathizer of the North Vietnamese.

At the time this happened, a photographer came in and took a couple of pictures. I had told "The Cat" that I didn't want any such publicity. So when I came back—the interview lasted about 15, 20 minutes—I told him I wasn't going to see another visitor because he had broken his word. Also at that time Capt. Jeremiah Denton, who was running our camp at that time, established a policy that we should not see any delegations.

In March, I got a roommate, Col. John Finley, Air Force. He and I lived together for approximately two months. A month after he moved in, "The Cat" told me I was going to see another delegation. I refused and was forced to sit on a stool in the "Heartbreak" courtyard area for three days and nights. Then I was sent back to my room.

The pressure continued on us to see antiwar delegations. By early in June I was moved away from Colonel Finley to a room that they called "Calcutta," about 50 yards away from the nearest prisoners. It was 6 feet by 2 feet with no ventilation in it, and it was very, very hot. During the summer I suffered from heat prostration a couple or three times, and dysentery. I was very ill. Washing facilities were nonexistent. My food was cut down to about half rations. Sometimes I'd go for a day or so without eating.

All during this time I was taken out to interrogation and pressured to see the antiwar people. I refused.

Finally I moved in September to another room which was back in the camp but separated from everything else. That was what we called "the Riviera." I stayed in there until December, 1970. I had good communications, because there was a door facing the outside and a kind of louvered window above it. I used to stand up on my bucket and was able to take my toothbrush and flash the code to other prisoners, and they would flash back to me.

In December I moved into "Thunderbird," one of the big buildings with about 15 rooms in it. The communication here was very good. We would tap between rooms. I learned a lot about acoustics. You can tap—if you get the right spot on the wall—and hear a guy four or five rooms away.

Late in December, 1970—about the twentieth, I guess—I was allowed to go out during the day with four other men. On Christmas night we were taken out of our room

and moved into the "Camp Unity" area, which was another part of Hoala. We had a big room, where there were about 45 of us, mostly from "Vegas."

There were seven large rooms, usually with a concrete pedestal in the center, where we slept with 45 or 50 guys in each room. We had a total of 335 prisoners at that time. There were four or five guys who were not in good shape that they kept separated from us. The Colonels Flynn, Wynn, Bean and Caddis also were kept separate. They did not move in with us at that time.

Our "den mother" was "The Bug" again, much to our displeasure. He made life very difficult for us. He wouldn't let us have meetings of more than three people at one time. They were afraid we were going to set up political indoctrination. They wouldn't let us have church service. "The Bug" would not recognize our senior officer's rank. This is one thing that they did right up until the end, till the day we left. If they had worked through our seniors, they would have gotten co-operation out of us. This was a big source of irritation all the time.

In March of 1971 the senior officers decided that we would have a showdown over church. This was an important issue for us. It also was a good one to fight them on. We went ahead and held church. The men that were conducting the service were taken out of the room immediately. We began to sing hymns in loud voices and "The Star-Spangled Banner."

The "gooks" thought it was a riot situation. They brought in the ropes and were practicing judo holds and that kind of stuff. After about a week or two they started taking the senior officers out of our room and putting them over in another building.

Later in March they came in and took three or four of us out of every one of the seven rooms until they got 36 of us out. We were put in a camp we called "Skid Row," a punishment camp. We stayed there from March until August, when we came back for about four weeks because of flooding conditions around Hanoi, and then we went back out again until November.

They didn't treat us badly there. The guards had permission to knock us around if we were unruly. However, they did not have permission to start torturing us for propaganda statements. The rooms were very small, about 6 feet by 4 feet, and we were in solitary again. The most unpleasant thing about it was thinking of all our friends living in a big room together. But compared with '69 and before, it was a piece of cake.

The great advantage to living in a big room is that way only a couple or three guys out of the group have to deal with the "gooks." When you're living by yourself, then you've got to deal with them all the time. You always have some fight with them. Maybe you're allowed 15 minutes to bathe, and the "gook" will say in five minutes you've got to go back. So you have an argument with him, and he locks you in your room so you don't get to bathe for a week. But when you're in a big room with others, you can stay out of contact with them and it's a lot more pleasant.

All through this period, the "gooks" were bombarding us with antiwar quotes from people in high places back in Washington. This was the most effective propaganda they had to use against us—speeches and statements by men who were generally respected in the United States.

They used Senator Fulbright a great deal, and Senator Brooke. Ted Kennedy was quoted again and again, as was Averell Harriman. Clark Clifford was another favorite, right after he had been Secretary of Defense under President Johnson.

When Ramsey Clark came over they thought that was a great coup for their cause.

The big furor over release of the Pentagon papers was a tremendous boost for Hanoi. It was advanced as proof of the "black imperialist schemes" that they had been talking about all those years.

In November of 1971 we came back from "Skid Row," and they put us in one of the big rooms again in the main Hoala Prison area. This was "Camp Unity." From that time on we pretty much stayed as a group with some other people who were brought in later. We ended up with about 40 men in there.

In May, 1972, when the U.S. bombing started again in earnest, they moved almost all the junior officers up to a camp near the China border, leaving the senior officers and our group behind. That was when President Nixon announced the resumption of the bombing of North Vietnam and the mining of the ports.

"Dogpatch" was the name of the camp near the border. I think they were afraid that Hanoi would be hit, and with all of us together in one camp one bomb could have wiped us out. At this time, the "gooks" got a little bit rougher. They once took a guy out of our room and beat him up very badly. This man had made a flag on the back of another man's shirt. He was a fine young man by the name of Mike Christian. They just pounded the hell out of him right outside of our room and then carried him a few feet and then pounded him again and pounded him all the way across the courtyard, busted one of his eardrums and busted his ribs. It was to be a lesson for us all.

I WAS DOWN TO 105 POUNDS

Aside from bad situations now and then, 1971 and 1972 was a sort of coasting period. The reason why you see our men in such good condition today is that the food and everything generally improved. For example, in late '69 I was down to 105, 110 pounds, boils all over me, suffering dysentery. We started getting packages with vitamins in them—about one package a year. We were able to exercise quite a bit in our rooms and managed to get back in a lot better health.

My health has improved radically. In fact, I think I'm in better physical shape than I was when I got shot down. I can do 45 push-ups and a couple hundred sit-ups. Another beautiful thing about exercise: It makes you tired and you can sleep, and when you're asleep you're not there, you know. I used to try to exercise all the time.

Finally came the day I'll never forget—the eighteenth of December, 1972. The whole place exploded when the Christmas bombing ordered by President Nixon began. They hit Hanoi right off the bat.

It was the most spectacular show I'll ever see. By then we had large windows in our rooms. These had been covered with bamboo mats, but in October, 1972, they took them down. We had about a 120-degree view of the sky, and, of course, at night you can see all the flashes. The bombs were dropping so close that the building would shake. The SAM's [surface-to-air missiles] were flying all over and the sirens were whining—it was really a wild scene. When a B–52 would get hit—they're up at more than 30,000 feet—it would light up the whole sky. There would be a red glow that almost made it like daylight, and it would last for a long time, because they'd fall a long way.

We knew at that time that unless something very forceful was done that we were never going to get out of there. We had sat there for 3½ years with no bombing going on—November of '68 to May of '72. We were fully aware that the only way that we were ever going to get out was for our Government to turn the screws on Hanoi.

So we were very happy. We were cheering and hollering. The "gooks" didn't like that at all, but we didn't give a damn about that. It was obvious to us that negotiation was not going to settle the problem. The only reason why the North Vietnamese began negotiating in October, 1972, was because they could read the polls as well as you and I can, and they knew that Nixon was going to have an overwhelming victory in his re-election bid. So they wanted to negotiate a cease-fire before the elections.

I ADMIRE PRESIDENT NIXON'S COURAGE

I admire President Nixon's courage. There may be criticism of him in certain areas—Watergate, for example. But he had to take the most unpopular decisions that I could imagine—the mining, the blockade, the bombing. I know it was very, very difficult for him to do that, but that was the thing that ended the war. I think the reason he understood this is that he has a long background in dealing with these people. He knows how to use the carrot and the stick. Obviously, his trip to China and the Strategic Arms Limitation Treaty with Russia were based on the fact that we're stronger than the Communists, so they were willing to negotiate. Force is what they understand. And that's why it is difficult for me to understand now, when everybody knows that the bombing finally got a cease-fire agreement, why people are still criticizing his foreign policy—for example, the bombing in Cambodia.

Right after the Communist *Tet* offensive in 1968, the North Vietnamese were riding high. They knew President Johnson was going to stop the bombing before the 1968 elections. "The Soft-Soap Fairy" told me a month before those elections that Johnson was going to stop the bombing.

In May of 1968 I was interviewed by two North Vietnamese generals at separate times. Both of them said to me, in almost these words:

"After we liberate South Vietnam we're going to liberate Cambodia. And after Cambodia we're going to liberate Laos, and after we liberate Laos we're going to liberate Thailand. And after we liberate Thailand we're going to liberate Malaysia, and then Burma. We're going to liberate all of Southeast Asia."

NORTH VIETNAMESE BELIEVE DOMINO THEORY

They left no doubt in my mind that it was not a question of South Vietnam alone. Some people's favorite game is to refute the "domino theory," but the North Vietnamese themselves never tried to refute it. They believe it. Ho Chi Minh said many, many times, "We are proud to be in the front line of armed struggle between the socialist camp and the U.S. imperialist aggressors." Now, this doesn't mean fighting for nationalism. It doesn't mean fighting for an independent South Vietnam. It means what he said. This is what Communism is all about—armed struggle to overthrow the capitalist countries.

I read a lot of their history. They gave us propaganda books. I learned that Ho Chi Minh was a Stalinist. When Khrushchev denounced Stalin in the late 1950s, Ho Chi Minh did not go along with it. He was not a "peaceful coexistence" Communist.

At this particular juncture, after *Tet* in 1968, they thought they had the war won. They had gotten General Westmoreland [commander of U.S. forces in South Vietnam] fired. They were convinced that they had wrecked Johnson's chances for re-election. And they thought that they had the majority of the American people on their side. That's why these guys were speaking very freely as to what their ambitions were. They were speaking prematurely, because they just misjudged the caliber of President Nixon.

To go back to the December bombing: Initially, the North Vietnamese had a hell of a lot of SAM's on hand. I soon saw a lessening in the SAM activities, meaning they may have used them up. Also, the B–52 bombings, which were mainly right around Hanoi in the first few days, spread out away from the city because, I think, they destroyed all the military targets around Hanoi.

I don't know the number of B–52 crewmen shot down then, because they only took the injured Americans to our camp. The attitude of our men was good. I talked to them the day before we moved out, pre-

paring to go home, when they knew the agreements were going to be signed. I asked one young pilot—class of '70 at West Point—"How did your outfit feel when you were told that the B–52s were going to bomb Hanoi?" He said, "Our morale skyrocketed."

I have heard there was one B–52 pilot who refused to fly the missions during the Christmas bombing. You always run into that kind. When the going gets tough, they find out their conscience is bothering them. I want to say this to anybody in the military: If you don't know what your country is doing, find out. And if you find you don't like what your country is doing, get out before the chips are down.

Once you become a prisoner of war, then you do not have the right to dissent, because what you do will be harming your country. You are no longer speaking as an individual, you are speaking as a member of the armed forces of the United States, and you owe loyalty to the Commander in Chief, not to your own conscience. Some of my fellow prisoners sang a different tune, but they were a very small minority. I ask myself if they should be prosecuted, and I don't find that easy to answer. It might destroy the very fine image that the great majority of us have brought back from that hellhole. Remember, a handful of turncoats after the Korean War made a great majority of Americans think that most of the POW's in that conflict were traitors.

If these men are tried, it should not be because they took an antiwar stance, but because they collaborated with the Vietnamese to an extent, and that was harmful to the other American POW's. And there is this to consider: America will have other wars to fight until the Communists give up their doctrine of violent overthrow of our way of life. These men should bear some censure so that in future wars there won't be a precedent for conduct that hurts this country.

By late January of this year, we knew the end of the war was near. I was moved then to the "Plantation." We were put together in groups by the period when we were shot down. They were getting us ready to return by groups.

By the way—a very interesting thing—after I got back, Henry Kissinger told me that when he was in Hanoi to sign the final agreements, the North Vietnamese offered him one man that he could take back to Washington with him, and that was me. He, of course, refused, and I thanked him very much for that, because I did not want to go out of order. Most guys were betting that I'd be the last guy out—but you never can fathom the "gooks."

It was January 20 when we were moved to the "Plantation." From then on it was very easy—they hardly bothered us. We were allowed out all day in the courtyard, But, typical of them, we had real bad food for about two weeks before we left. Then they gave us a great big meal the night before we went home.

There was no special ceremony when we left the camp. The International Control Commission came in and were permitted to look around the camp. There were a lot of photographers around, but nothing formal. Then we got on the buses and went to Gia Lam Airport. My old friend "The Rabbit" was there. He stood out front and said to us, "When I read your name off, you get on the plane and go home."

That was March 15. Up to that moment, I wouldn't allow myself more than a feeling of cautious hope. We had been peaked up so many times before that I had decided that I wouldn't get excited until I shook hands with an American in uniform. That happened at Gia Lam, and then I knew it was over. There is no way I can describe how I felt as I walked toward that U.S. Air Force plane.

Now that I'm back, I find a lot of hand-wringing about this country. I don't buy that. I think America today is a better country than the one I left nearly six years ago.

The North Vietnamese gave us very little except bad news about the U.S. We didn't find out about the first successful moon shot [in 1969] until it was mentioned in a speech by George McGovern saying that Nixon could put a man on the moon, but he couldn't put an end to the Vietnam war.

They bombarded us with the news of Martin Luther King's death and the riots that followed. Information like that poured continuously out of the loud-speakers.

I think America is a better country now because we have been through a sort of purging process, a re-evaluation of ourselves. Now I see more of an appreciation of our way of life. There is more patriotism. The flag is all over the place. I hear new values being stressed—the concern for environment is a case in point.

I've received scores of letters from young people, and many of them sent me POW bracelets with my name on it, which they had been wearing. Some were not too sure about the war, but they are strongly patriotic, their values are good, and I think we will find that they are going to grow up to be better Americans than many of us.

This outpouring on behalf of us who were prisoners of war is staggering, and a little embarrassing because basically we feel that we are just average American Navy, Marine and Air Force pilots who got shot down. Anybody else in our place would have performed just as well.

My own plans for the future are to remain in the Navy, if I am able to return to flying status. That depends upon whether the corrective surgery on my arms and my leg is successful. If I have to leave the Navy, I hope to serve the Government in some capacity, preferably in Foreign Service for the State Department.

I had a lot of time to think over there, and came to the conclusion that one of the most important things in life—along with a man's family—is to make some contribution to his country.

U.S. FISHING INDUSTRY

Mr. KENNEDY. Mr. President, on February 6, I introduced six bills and a resolution designed to assist the fishing industry to revitalize itself. As I pointed out at that time, if this Congress does not act to provide Federal assistance for the industry, it will be too late. The resolution which I introduced urges that the U.S. position for the Law of the Sea Conference be adopted immediately to reduce the foreign fishing effort off our coasts.

Once again I urge that Congress act quickly to help this stricken industry. I ask unanimous consent to print in the RECORD an article that appeared in the Washington Post yesterday which sums up the sense of urgency that the fishermen of Massachusetts share—"Most fishermen are talking about lasting 2 or 3 years."

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

U.S. FISHERMEN CAUGHT IN THE NETS OF FOREIGN FLEETS

(By Daniel Q. Haney)

GLOUCESTER, MASS.—American fishermen who live off the waters of the North Atlantic say their livelihood may be dead within a few years, the victim of foreign competition.

Haddock, the lifeblood of Boston fishermen, have been all but wiped out by foreign fleets which fish outside the 12-mile international limit. And many other commercial species, including flounder, perch and herring, have been dangerously depleted in the once-rich waters stretching from Cape Hatteras, N.C., to Maine.

Unless the federal government persuades foreigners to take less fish or seizes control of the fishing off its shores, industry people say commercial fishing will cease in the North Atlantic, possibly within three years.

"The foreign fleets are raping our waters," says Jack Donegan, president of a local of the Seafood Workers Union.

"If we don't move by next year, three years from now we're going to be kissing the industry goodbye," Donegan said. "Everyone is saying the same thing—management, labor, scientists and government. We're all in the same boat."

"It's inevitable," said Commissioner Frank Grice of the Massachusetts Division of Marine Fisheries. He predicted that other species will follow the way haddock are headed and become commercially extinct.

"It only take a couple of years of really concentrated effort to do the job," Grice said.

Solutions advanced by state officials and industry spokesmen center on having the federal government extend the international boundary to 200 miles from the coast. If the government won't do that, the local officials want to see at least an American takeover of the supervision and control of North Atlantic fishing.

Neither proposal is likely to win much support in Washington, where officials point to the obvious diplomatic problems such actions would create.

"We anticipate problems with any fishing stock out there—anything that's abundant enough to be economically feasible," Grice said. "They will eventually be exploited."

American fishermen are bitter and blunt about seeing foreigners take over coastal water that 15 years ago were theirs alone.

Congress should have declared control of the East Coast fishing banks 10 years ago, said Tom Powers, mate of the Mary and Joseph, a fishing boat out of Boston. "Fishing is just about done here," said Powers, a 43-year veteran of the seas. "Uncle Sam has tried to be Santa Claus for the world."

Last month, 312 foreign vessels, 190 of them Soviet plied the North Atlantic coast, the National Marine Fisheries Service reports.

The foreign ships fly the flags of about 17 nations. While Americans fish with small trawelers which are no more than 130 feet long, the government-supported Europeans work with fleets of large trawlers that weed their catches to 600-foot factory ships.

"It isn't going to be a very nice situation for Americans as long as they are fishing like that," said Russel T. Norris, regional director of the fisheries service. "It's not a bright future."

The Russians arrived off American shores in 1960, when their vastly expanded fishing fleets moved down from Newfoundland's Grand Banks. They were followed by Europeans and Canadians, most of them in search of herring, fantastically plentiful in the area and virtually untouched by Americans.

In the past 10 years, the herring have been reduced 90 per cent.

The Europeans, with their superior equipment and large processing ships, use a method called pulse fishing.

When an exploratory vessel discovers a school of fish, dozens of trawlers descend on it and fish until it is gone, dumping their catches in the processing ships for quick handling.

Using this method, Soviet fishermen took 180,000 tons of haddock in an 18-month period in 1965 and 1966. Before the Soviets moved in, Boston fishermen were landing about 50,000 tons of haddock a year. This year's domestic catch is expected to be less than 6,000 tons, and the species is considered nearly commercially extinct.

As the fish decline, so does the domestic fishing fleet. Ten years ago, 64 trawlers worked out of Boston. Now there are 29.

The problem has not been lack of demand. "The fish supply has been so overfished by foreign nations that we don't have enough

to sell," said Hugh O'Rourke, executive secretary of the Boston Fisheries Association.

"If we had enough, business would be fantastic," O'Rourke said.

"It's like a farmer who has planted the same field for years, and all of a sudden, some other guy comes in and takes over most of the farm," he said.

Spokesmen for the National Marine Fisheries Service say they are depending on private negotiations and controls imposed by the International Commission for the Northwest Atlantic Fisheries to slow fishing so the grounds will be saved.

But industry and state government have little hope for success.

Most members of the 16-nation international commission "are more motivated by fear of the coastal nations (United States and Canada) taking over jurisdiction than by conservation," said Grice. "Their primary interest is to be able to exploit the stocks.

Spencer Apollonio, commissioner of Maine's Department of Sea and Shore Fisheries, said, "The fish species, one way or another, will survive. The question is whether the fishing industry can survive. Most fishermen are talking about lasting two or three years."

Mr. KENNEDY. Mr. President, over the weekend two Japanese fishing vessels were found by the U.S. Coast Guard to have 1,400 lobster pots off the coast of Massachusetts. I ask to insert in the RECORD a copy of my telegram to Ambassador McKernan this morning.

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

TELEGRAM

Ambassador DONALD D. MCKERNAN,
Special Assistant to the Secretary,
Department of State,
Washington, D.C.

My office has received reports this morning from fishermen in New Bedford that Coast Guard patrols found two Japanese fishing vessels fishing for lobster and crab off New Bedford over the weekend. Their reports indicate that these vessels had at least 1400 lobster pots out. In view of the dwindling lobster catch for American fishermen and in light of your statement last week that there was only "incidental" foreign fishing for lobster off the New England coast, I urge that your office investigate this report immediately and provide some assurances to the fishermen of Massachusetts that such activity will not occur again. Thank you for your personal attention to this matter of grave concern to the fishermen of New England.

WORDS OF WISDOM

Mr. THURMOND. Mr. President, we live in a society where events occur so rapidly and with so great abandon that our capacity to sort out their true signficance is often inadequate. We are inundated with a constant barrage of information—much of which is unpalatable to our sense of honesty and responsibility.

It is sometimes easy to lose perspective as we attempt to disseminate this information. I am sure most of us have, at one time or another, thrown up our hands in disgust.

WSPA Radio and Television in Spartanburg, S.C., recently carried an editorial on this subject and, with great insight, noted that some things remain constant throughout life.

In this regard, I ask unanimous consent that the editorial entitled "Words of Wisdom," which was broadcast May 4, and May 7, on WSPA Radio and Television be printed in the CONGRESSIONAL RECORD at the end of my remarks.

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

WORDS OF WISDOM

This is another slow pitch or change of pace editorial.

If we believe the day to day reports of the teletype machines, we are living in an age of violence, an age of cynicism, an age of doubt, an age when man's trust in the eternal verities such as honor, integrity, courage and even love are beggars in the streets.

And yet, we are persuaded, it is not so. The eternal verities are still with us. They are still powerful in our lives.

For our story in illustration we tell of an incident in a sermon by one of our favorite preachers some time ago.

A generation or so ago a medical missionary to China spent most of his life building a small hospital in one of the Chinese provinces. There he ministered to the sick and the needy and did much good. But then civil war broke out and in the fighting the hospital was destroyed. Later, the medical missionary died. It seemed that all he had done had come to naught.

Then one day years later a friend of the missionary passed through the province and went by the site of the destroyed hospital. To his surprise, there was a new hospital, ministering to the sick and the needy. And on the grounds in front was a small monument to the former medical missionary. Beneath his name and the dates of his birth and death were carved these words:

"The winds of hate and the storms of war could not root out the seeds that love had planted. Verily some things endure."

WSPA repeats these words for we too are sometimes a little shaken. These words give us something to hold to, a sort of life preserver, as it were, as we try to stay afloat in the sea of doubt and lack of faith in the eternal verities that we find ourselves in today.

Here they are again: "The winds of hate and the storms of war could not root out the seeds that love had planted. Verily some things endure."

HEARINGS ON SOCIAL SERVICES

Mr. MONDALE. Mr. President, the Senate Finance Committee, under the leadership of Senator LONG, has conducted hearings during the past 2 weeks on the proposed social services regulations generally, including many of the proposals in S. 1220, the bill I introduced with 43 cosponsors.

These hearings have been extremely useful and very encouraging. The testimony we have heard proves beyond a doubt that the revisions HEW has suggested in the proposed regulations are simply not enough. The new regulations do contain some much needed concessions in areas including privately contributed funds and the reinstatement of the Federal interagency day care standards. But as the committee questioning of Secretary Weinberger last week demonstrated, serious problems remain in areas such as the severe restriction on eligibility for services and limitations on the kinds of services that would be fundable.

These revised regulations retain the administration's proposal to apply—for the first time in the history of the social services program—the assets test which is now applied to recipients of cash assistance under welfare. In Alabama, for example, this would mean that a family would not be eligible for social services if the value of their home exceeded $2,500. In my own State of Minnesota, a family would not be eligible for services if they had personal property—including a car—which totaled more than $500. In short, this assets test would make the revised income eligibility levels meaningless. No potential or past recipients could be served unless they impoverished themselves to the point that they could qualify under the welfare assets test.

In addition, the committee questioning revealed that these regulations contained a "notch" that encourages people to stay on welfare rather than leave it. In every State of the Union, for example, there are income levels at which welfare recipients would qualify for free services, while families with the exact same income who are not receiving welfare would be denied services. This is precisely the kind of upside down incentive we have been trying to get rid of in our programs. It would be a tragic mistake to make our social service programs into another "notch."

A great deal of excellent testimony has been presented by other witnesses appearing this week. Among the most useful testimony was some presented by a panel of representatives from five States. These representatives included Rudy Perpich, our outstanding Lieutenant Governor of Minnesota; Dr. Roger B. Bost, director of the department of social and rehabilitative services of Arkansas; Mr. Fred Friend, commissioner of public welfare, Tennessee; Senator Kennith Myers, of Florida, and Representative Richard Hodes of Florida; and James Jarkham, deputy director of the department of human resources in Georgia.

In response to questioning, each of these gentlemen indicated that HEW's revised regulations mean their States would be able to spend only about 50 percent of the funds they are allotted under $2.5 billion ceiling which was placed on this program last fall. This kind of cutback cannot be permitted. The Congress intended these funds to be spent, and this kind of impoundment by redtape cannot be tolerated.

Because they made many other excellent comments and suggestions, I ask unanimous consent to print a copy of each of their statements at the close of my remarks.

Although considerations of space do not permit me to insert all of the testimony which has been presented, I would also ask unanimous consent that the thoughtful statements by Congresswoman BELLA ABZUG, Congresswoman SHIRLEY CHISHOLM, and Mr. Jule Sugarman, administrator of the human resources administration in New York City, be printed at the end of my remarks.

Mr. President, I am very encouraged by what appears to be the feeling on the part of most of the members of the committee who have been attending these hearings that HEW's revised regulations are still much too regressive. I am especially encouraged by statements that Chairman LONG has made indicating that it is his belief that the entire $2.5 billion authorized for this program should be spent and that States should

have the discretion necessary for them to spend these funds on programs they deem necessary.

I want to indicate my strong support for this position. I intend to continue doing everything I can to assure that these vitally needed social services will not be crippled by the restrictive regulations the administration has proposed.

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

STATEMENT OF THE HONORABLE RUDY PERPICH, LIEUTENANT GOVERNOR OF THE STATE OF MINNESOTA

Mr. Chairman, members of the committee: I appear here this morning on behalf of the State of Minnesota, to lodge a strenuous protest against the new social services regulations issued by the Department of Health, Education and Welfare on May 1, of this year.

It is my judgment that the following remarks will reflect the concern not only of the State of Minnesota, but also the concern of all states committed to providing their citizens with a high-quality level of social services.

I am certain that the testimony of the other States represented here this morning—Florida, Georgia, Tennessee, and Arkansas—will bear witness to that fact.

We admit that the new HEW regulations represent an improvement over the proposed regulations outlined earlier this year. But this is a rather meager consolation. The concessions made by Secretary Weinberger merely rescind the most obvious inequities of his earlier proposal. Many more and serious inequities remain. The fact is that these new regulations pose a lethal threat to the orderly and effective delivery of social services.

Last October, the Congress imposed a ceiling of $2.5 billion on social services expenditures. Under that ceiling, Minnesota was entitled to about $46 million per year in social services funds. At best, this appropriation would have been sufficient to assure reasonable continuation of our social services programs.

To conform with the new situation, Minnesota prepared itself to keep its social service planning and operation in line with the $46 million expectation.

But suddenly we find that because of the new HEW regulations, there is every likelihood that the use of appropriated Federal money to Minnesota will be limited to a mere $21 million in fiscal 1974.

This new figure represents a decrease of over 54 percent.

We believe that clear congressional intent under P.L. 92–512 allocated to Minnesota this $46 million. But now we discover that we are going to be short changed by nearly $25 million.

This money is being withheld simply because of these new regulations.

Congress appropriated funds under the auspices of regulations in effect during 1972. But once this money was appropriated, HEW decided to change its rules in the middle of the game and has told us that we can no longer spend money for purposes that were previously legitimate.

The present administration has devised many means of circumventing congressional policy when it comes to spending money on vital domestic programs. Now they have a new technique—reliance on regulations so restrictive that programs approved by Congress are placed in mortal danger.

The rash of impoundments present an open and obvious challenge to congressional authority.

But I submit that what we have here is a back-door approach, the effects of which are as damaging as impoundment and much more sinister.

If the Congress permits the administration, in this instance, to get away with issuing regulations so restrictive that it is impossible for states and localities to spend appropriated monies, then I submit, the authority of Congress to decide national policy and set spending priorities has been seriously impaired.

And if the administration is permitted to get by with this kind of behavior now, a precedent will have been set which will be followed quickly with similar restrictive regulations in other areas of Federal-State cooperation.

We believe that the new social service regulations are a test case to determine just how far the executive can go in pursuing its policy of side-stepping the intent of the Congress.

The administration has now unveiled a new plan of operation. We can only hope that Congress accepts the challenge by HEW to rescind its regulations in favor of the previous guidelines.

No one disputes the department's right to establish reasonable procedures to insure that Federal monies are spent wisely and efficiently; we do dispute their right to destroy many valuable and necessary programs by refusing to allow in 1973 what was intended by Congress in 1972.

The gentlemen representing Florida, Georgia, Arkansas, and Tennessee here this morning, will undoubtedly outline the specific effects of the new regulations on their respective social service programs.

Very briefly, I shall outline the impact of these new regulations on Minnesota's very substantial and thus far effective social services programs.

In the first place, the new and restrictive eligibility requirements for previous and potential public assistance recipients strike at the very heart of Minnesota's social service philosophy.

Minnesota does not have an unusually high public assistance case load.

In part this is because we have committed valuable resources to insure that those who have escaped the clutches of the welfare cycle can be free of it permanently.

We believe that it is better to spend a few dollars for needed purposes and programs before an individual falls into the welfare trap. Dollars spent at that point reduce the chances that we will have to spend many, many more dollars sustaining the needs of an individual who ends up on welfare because there were no programs to help him or her make it on their own.

Our people do not like welfare. They are energetic and self-reliant. But economic, mental, and physical hardship are a fact of life in Minnesota, as elsewhere.

We have, therefore, done what is necessary to mitigate these forces to prevent them from destroying an individual's capacity to get and keep a job.

Thousands of people are a step away from welfare in Minnesota. They are trying desperately to keep their head above water before suffering the pain and sorrow that goes with accepting public assistance. For this reason, we are trying to follow a social policy designed to keep these people from going under. If they are a step away from the welfare rolls, we are going to try and insure that they don't have to take that final step.

Apparently, the HEW is oblivious to this kind of positive, preventive thinking.

The new regulations now make it virtually impossible to sustain programs delivering preventive social medicine. We will now be forced to wait until the social disease of poverty has ravaged the patient before administering the medicine. And by that time, the medicine can only keep the patient alive, it won't help him or her conquer the disease.

The new regulations threaten our entire preventive apparatus. We cannot any longer develop the programs that can keep our people off the welfare rolls.

Little or no Federal funds can be used for the direct treatment of alcoholism and drug abuse—a prime cause of joblessness.

Little or no funds from social services appropriations can be used for community based services to the mentally ill, or for treatment of emotional problems of young people through private treatment centers or specialized foster homes.

Minnesota has been a pioneer in the effort to provide community treatment centers for the emotionally and mentally disturbed. We learned long ago that the days of the large institution were numbered and that enlightened practice dictated that confining these unfortunate people to the institutional environment was both inhumane and counter productive. Unfortunately, the HEW leadership hasn't yet heard about the new techniques.

We can no longer use Federal service funds for any kind of information and referral services unless they relate directly to employment; the same is true for legal services, and for medical, social, and psychiatric diagnostic services.

Most distressing of all, perhaps, is the news that we cannot use Federal funds to provide services to potential recipients unless they have used cash resources down to the public assistance level.

This restriction is a blow to our many senior citizens who live just beyond the public assistance level. And, in the same vein we can no longer use Federal funds to provide services to potential recipients unless it can be established that they will be on public assistance within six months.

Even the most hardened case worker or welfare administrator, except those in HEW, will tell you that this provision is too restrictive to head off the need for public assistance.

Minnesota understands the need for thorough watch-dog procedures to insure that Federal social service money is spent to serve only those that require the services. As a matter of fact we are spending millions of dollars to modernize our entire welfare and social service quality control apparatus.

Yet, the new HEW rules imply that the States are virtually giving Federal social service money away on the streets to any and all comers.

This is nonsense. Our people pay a heavy tax burden. They also demand a high level of service for their tax dollars. The State of Minnesota has invested considerable money in developing social service programing, with the emphasis on preventative social medicine. In a matter of months we shall begin to complete a major change in our entire social and human service delivery service program.

Given these factors, we deeply resent the implication contained in the regulations that we have been wasting Federal money because of the scope of our programs.

Let me say finally, that Minnesota has taken considerable initiative in providing high quality social services.

In doing so we have spent many State dollars as well as Federal dollars. During the 1967–69 biennium, for example, Minnesota's general revenue budget was barely one billion dollars per year. But for the 1973–75 biennium we will be spending nearly $3.5 billion, the lion's share of which will be going to finance education and social services.

By the same token, during the past decade the Federal Government has enacted five tax cuts exclusive of the regressive social security tax. But in Minnesota we have found it necessary to enact five tax increases during the past 10 years. This represents vigorous State effort which is supposed to be a pillar of the "new federalism" valued so highly by the President.

We find it curious that the administration ignores such State initiative and effort by refusing to honor more than half of the Federal financial commitment in the area of human and social services.

This is why, Mr. Chairman, we are asking

the Congress to intervene in this matter as quickly as possible, before the Department of Health, Education, and Welfare dismantles in a few short months what has taken years to build.

State and local government are on the front line in the battle to keep our citizens off the public assistance rolls. It has taken us a long time to learn and understand the old saying: "A penny's worth of prevention is worth more than a dollar cure."

The HEW leadership does not seem to have learned this yet. Because if they had, they would realize that the previous guidelines fit the needs of social service programming far better than the lethal guidelines and regulations handed down to us on May 1, 1973.

COMMENTARY ON THE NEW SOCIAL SERVICE REGULATIONS FOR THE ADMINISTRATION OF SOCIAL SERVICE PROGRAMS UNDER TITLES IV–A AND XVI OF THE SOCIAL SECURITY ACT AND THEIR IMPACT ON THE PEOPLE OF GEORGIA

The Social Service Regulations, as published on May 1, upon first reading, appear to give considerable relief for some of the provisions in the proposed federal regulations that provoked such nationwide concern and criticism. Upon careful reading and after receiving interpretation from the Regional HEW staff following their briefing on the application of these regulations, we find that very little relief to states is provided by the final regulations.

Georgia has not had time to analyze in depth the impact of these regulations, but at this time it appears that under these regulations we will not be able to serve the following:

1. 1,833 children of welfare mothers who are in day care centers at the present time. These children are being served now because their mothers or caretakers are not competent to meet their developmental needs. The group learning experience in day care, we believe, can do much to break the "welfare cycle." Under the new regulations we can send into the home a child development worker or a homemaker to help the mother learn how to provide better for the children and to meet their developmental needs. We cannot, however, place these same children in a group day care center because the mother is not incapacitated according to Georgia's AFDC requirements.

We cannot provide day care for a child like the little 5½-year-old boy in Alma, Georgia, who receives AFDC and who lives with his grandmother and 14-year-old sister who has an infant daughter. When he was first brought to the day care center, he was described by the community worker as being much like a wild rabbit. In fact, the first day when he went out to play he ran away. After a period of weeks in the day care center this youngster had learned to adjust to the day care environment almost as well as the other children. Without this kind of care, this child would never have made it in public school.

2. Two children, ages 6 and 8, whose father neglects them and abuses them and their mother regularly when he gets drunk on week-ends. We cannot provide protective services and supervision to improve the care given these children even though his annual income is only $2,400 per year. If placement is needed to protect the children, we cannot use social service funds to provide placement services and supervision of the placement because foster care services are not related to self-support. Even if the father weren't employed, we could not provide services since Georgia does not have financial assistance for unemployed fathers.

Foster care cannot be provided to any children, regardless of financial status, if they are not recipients of financial assistance.

3. A woman, age 83, who receives a small Social Security income and lives with her son, age 66, who is disabled and receives just enough benefits so that he and his mother are not eligible for Old Age Assistance. With homemaker home/health aide service three hours daily, five days per week, we have been able to maintain this woman and her son in the home at a cost of $219.60 per month. Without this service, both these individuals will have to go to a nursing home at a combined cost to the taxpayer of $630 per month plus about $200 additional from their own resources. Under the new regulations, we cannot provide homemaker/home health service to these elderly and disabled persons.

REGULATIONS CONCERNING ELIGIBILITY OF PERSONS THAT CAN BE SERVED AS POTENTIAL RECIPIENTS

The eligibility requirements as provided under Section 221.6(c)(3) provide for a very complex and inequitable income standard for determining who can be served in the several states. The regulations concerning eligibility as potential recipients results in an income eligibility for a family of four ranging from $1,746 in Alabama and $1,944 in Louisiana to $6,498 in Michigan and $7,200 in Alaska. The income eligibility requirements are not related to any sort of poverty standard that can be consistently applied throughout the country. As an example of the inequity in those individuals who are eligible for social services through the use of federal funds, a family of four in Louisiana earning $2,000 would not be eligible when in Mississippi, a state with a lower average family income and smaller financial assistance payments, a family earning no more than $4,986 will be eligible for social services.

The payment standard, as stated in the regulations, is clearly discriminatory and, in our judgment, unconstitutional. The Department of Health, Education and Welfare should develop an economic standard for the nation as a whole rather than the hodgepodge discriminatory method that is provided for in the new regulations.

Eligibility costly and time consuming

The process of determining eligibility of families and children for services as potential recipients under the new regulations is almost as expensive and will take about as much manpower per case as determining eligibility for family assistance through the AFDC program. Georgia is now having difficulty completing the eligibility determinations in AFDC applications within 30 days already, and this eligibility process for services will be almost as time consuming. Furthermore, our social service staff are complaining that we are making clerks out of them when they are interested in providing services to people.

Georgia strongly recommends that HEW develop a national income standard that families in all states must meet in order to be eligible for social services as potential recipients. Providing that states can accept the statement of the individuals concerning income should be sufficient to determine eligibility for services. Following the procedures currently outlined by HEW will require a great share of the manpower now available for social services and will take away scarce resources that could be used for providing needed services.

Services to mentally retarded

We are pleased that Section 221.6 grandfathers in all services to mentally retarded to those being served on June 30, 1973, through December 31, 1973. There is every indication that on January 1, 1974, the current regulations for social services will also be applied to the mentally retarded. HEW has already made it clear to the states that those mentally retarded individuals needing services on or after July 1, must see the new regulations as all other service programs must do. This means that those mentally retarded needing and requesting services on and after July 1, will be treated quite differently from those who are being served prior to that time.

For example, Jim and Mary Brown have two children—one of which is retarded. Jim's salary is $8,000 which makes him eligible under current regulations for MR services through December 31. The retarded daughter can continue to receive free service in a day care and training center for retarded through December 31 of this year. His neighbor three houses down the street who decides to enroll his mentally retarded son in the same center on July 2, must pay the full cost of care, $2,500 per year, even though his salary is $1,000 less than Jim's. In fact, under the proposed regulations, if Jim's neighbor earns as little as $5,000 per year he would have to pay the full cost of care for his mentally retarded son.

Secretary Weinberger indicated in his testimony to the Committee on May 8, that the regulations would fully carry out the intent of Congress that the six exempted program areas and services would be available to persons other than welfare recipients. Section 221.8 of the regulations, concerning program control and coordination, by omission limits the use of social service funds for foster care to welfare recipients. HEW staff have been emphatically informed by the Washington staff that only those services with a self-support goal will be made available to potential recipients. In other words, states are not allowed to provide to potential recipients protective services including foster care for poor children who are neglected, abused or exploited, or to disabled or elderly persons who may be in physically dangerous living situations or lacking necessary medical care.

The prohibition on the use of social service monies for services that are directed toward self care of individuals will not make it possible for states to use federal funds to work out community-based living plans to get elderly and disabled persons out of institutions and into foster homes, nursing homes, or intermediate care facilities.

Section 221.9(a)(5) of the regulations has the practical effect of preventing states, like Georgia, with a statewide WIN Program, from using federal social service funds for self-support services. At the present time, states are using a considerable amount of their social service funding at a 75–25 match to provide services related to self support prior to the welfare recipient entering into the Work Incentive Program, as provided under the Talmadge Amendments. In some communities, social service staff have found employment for more welfare applicants than Employment Security staff.

Section 221.5 in the new regulations adds legal services to families and adults. Then in the section on definitions of services, legal services are limited to those related to obtaining or retaining employment. Georgia has provided, in close cooperation with the Georgia State Bar, legal services to welfare recipients to assist them with income problems. Through Georgia Indigents Legal Services (GILC) we are helping welfare clients better utilize their limited resources. Under the new regulations, we can no longer do this.

In summary, the final regulations as published by the Department of Health, Education and Welfare are clearly designed to limit expenditures of federal funds already allocated to states by Congress for these purposes. They do not help states provide those support services that will enable persons likely to become welfare recipients to work toward self support and self care. The administrative cost in implementing the new regulations will greatly increase the cost of social services when these limited funds could better be used for direct services to those in need. Congress has acted decisively in placing fiscal controls on the expenditure of social service funds and if these funds were allocated according to the actions of Congress to the several states, with broad general guidelines, the states could set their own priorities and spend a larger proportion

of the federal and state funds in direct service delivery, rather than in administrative costs.

HERSCHEL SAUCIER,
Director, Division of Community Services, Georgia Department of Human Resources.

COMMENTS ON SOCIAL SERVICES REGULATIONS

(By Roger B. Bost, M.D. Director, Department of Social and Rehabilitative Services, State of Arkansas)

Social Services Regulations released April 26 by Secretary of H.E.W., Caspar Weinberger, are less restrictive than the earlier version, but significantly tighter than those now in effect.

Arkansas' allotment under the $2.5 billion ceiling established by the Congress for Social Services is $23.7 million. Preliminary estimates indicate that the new regulations for Social Services will restrict our optimum utilization to no more than half that amount. This is due primarily to the requirement that 90% of a state's expenditures of federal funds for social services must go for services to current welfare recipients (except for the five "exempted" categories of M.R., day care, family planning, foster care and alcoholism—drug addiction). Even in the exempted categories, the tight restrictions on foster care alcoholism and drug addiction will very effectively prohibit significant support to these critically needed services in Arkansas. In particular, Section 221.9 (b), (8) in conflict with P.L. 92–512, the Revenue Sharing Act, which specifically provides for "services to a child who is under foster care in a foster family home or in a child care institution" as an exempted category. The Regulations omit services to a child in a foster home or foster care institution.

The 90% requirement applying to all other unexempted categories of service (e.g. Mental Health Services, services to youthful offenders and juvenile delinquents, to the aged, physically handicapped, etc., etc.) will limit federal support to services to 8% of this state's total population, i.e. those on public assistance. To imply, as has Secretary Weinberger, that these are the only people in real need, and that the remaining 92% "can afford to pay for them" is manifestly wrong and most assuredly demonstrates the Naitonal Administration's lack of awareness of the critical needs which states and local communities face each day.

The goals of "self-sufficiency and self-support" are worthy and appropriate, however, targeting 90% of federal expenditures to those presently on public assistance largely ignores the critical importance of and potential in *preventing* public dependency, and aiding states and communities in providing alternatives to institutionalization, a form of public dependency (e.g., nursing home and mental hospital care; juvenile training school commitment; etc.). Such programs, particularly for the elderly and disabled with marginal incomes, have high human and cost benefits, but are precluded by the new Regulations which deal only with those eligible for public assistance.

The new Regulations also largely deny support for services within institutions to help individuals of marginal eligibility to return to their homes and communities. Also largely lacking is support for the continuing services required to maintain the independent status of many who have been brought off welfare assistance or out of institutions.

If the aim of the federal government is to decrease the incidence of dependency in this country, then it should provide assistance to state and community programs which are designed not only to *cure* the problem in those who have it, but also to *prevent* its development in those most susceptible to it. The new Regulations, with a few categorical exceptions, will largely nullify the preventive approach, despite its greater potential for effectiveness.

The compelling needs of the unfortunate, whether they be physically or mentally handicapped, deprived, or just poor are appreciated first and foremost by the afflicted individuals and their families. Yet, because these individuals cannot be hidden away, nor their problems eradicated, society ultimately suffers and pays a price if their needs go unmet. In a rural state such as Arkansas, the unfortunate effect of the new Legislation and Regulations will be that too many families will be unable to pay for long term private attention, and too few will be lucky enough to live in areas where community sponsored services are available at cost they can afford.

The family is initially and basically responsible, but in due time society is held accountable and shares not only in the benefits from proper care at the proper time, but, contrariwise, in the ill-effects and the costs of neglect. Thus, serving the unfortunate is not only a private, family responsibility, it is a continuing community problem and a public obligation.

The obligation of the public does not cease at the level of public dependency or welfare. The costs and the extended duration of the needs are often as impossible for middle and low-middle income families to afford as for those on welfare.

The responsibility of the public is no greater for the mentally retarded than for the mentally ill, the aged, the juvenile delinquent or the drug abuser; nor is there justification for limiting public support to child day care services to enable caretaker relatives to work or train, and to declare ineligible those children whose only qualification is that they are victims of deprivation and whose needs for enrichment are critical and essential to their normal development.

Under present Legislation and Regulations, the needs of those in the unexempted categories above the welfare level will not be met by the private sector. Only through partial support of public funds combined with sliding scale fees above welfare for *all* the major types of service and categories of need will equitable and comprehensive benefits be achieved.

Is partial public dependency for services of families above the welfare level limited to the exempted services of day care and family planning, and to the exempted categories of mental retardation, alcoholism, drug addiction and the foster child? If there are other categories of need among public assistance recipients as recognized by the Social Services Amendments and, if there are needs for declining assistance above the level of welfare, as provided by the exemptions, then surely the same needs exist and the same public responsibilities apply among families above welfare with equally serious problems in the unexempted categories. Prolonged mental illness or the presence of a severely handicapped member eventually creates a form of public dependency in most families of less than average income.

In P.L. 92–512, the Congress allocated $2.5 billion to the states for support of social services. Within this ceiling, or even a lower one if that is the desire of Congress, the states should be given the ability to utilize the funds allotted. New Legislation should be enacted and Regulations promulgated to: (1) Eliminate the 90–10 limitation, (2) Provide broad definitions of those to be served and allowable services, (3) Provide 75% federal matching for services to public assistance recipients and to those with family incomes up to 150 percent of a state's welfare payment standard, but taking into account income disregard for welfare recipients with sliding fees for families whose incomes are between 150 and 233⅓ percent of the states welfare payment standard.

These legislative and administrative actions would vest in the states the discretion to identify human service needs and to establish programs designed to meet those needs. As President Nixon said in his message to the Congress on March 1:

"Rather than stifling initiative by trying to direct everything from Washington, Federal efforts should encourage State and local governments to make those decisions and supply those services for which their closeness to the people best qualifies them. In addition, the Federal Government should seek means of encouraging the private sector to address social problems, thereby utilizing the market mechanism to marshall resources behind clearly stated national objectives."

TESTIMONY PRESENTED BY FRED FRIEND, COMMISSIONER OF PUBLIC WELFARE IN TENNESSEE

Mr. Chairman, Members of the Committee, I am most grateful for the opportunity to be able to appear before you and testify for Governor Dunn about an issue which is of vital interest to Tennessee as well as to the nation at large. Governor Dunn is most concerned about the way the Department of Health, Education and Welfare is handling the social service programs.

Governor Dunn supports the President in his present intention to limit federal expenditures generally and understands that limitations upon expenditures in the area of social services and welfare programs must be a part of the overall limitation. He is also completely in agreement with the principle that strict accountability for the cost-effective use of social service funds must be demanded at all levels of involvement.

The State of Tennessee is willing and able to assume the role of primary decision-making in the areas of social service programs, and we sincerely feel that the state agency is the optimum vehicle for planning, implementing, monitoring, and evaluating programs designed to develop human resources and to meet human needs. It is Governor Dunn's personal conviction that, in order to realize to the fullest possible extent the President's desire for a "New Federalism" and to render the maximum in services to the citizens of the nation, a program of special revenue sharing for social services and welfare programs should be designed and implemented as rapidly as possible. Being thus permitted the maximum flexibility in the design and operation of social service programs, the several states then should stand fully accountable for the success of these programs in removing those barriers which prevent families, children, the aged, the blind, and the disabled from attaining the greatest amount of self-sufficiency and/or self-support of which they are capable. It is entirely reasonable to expect that the continuation of such a funding arrangement would be contingent upon the ability of the states to achieve significant, meaningful and measurable results, in harmony with the general provisions of the special revenue sharing program enacted for these purposes.

As you are probably aware, Tennessee has used the "cost-effectiveness" approach in the provision of these services over the period of their existence. During the early debate, we supported the Congressional efforts to place a ceiling on the expenditures of social service funds. One major reason for this action on our part was to obtain a more equitable distribution of these funds among the states. However, with the issuance of the new regulations, we have found that we are being substantially short-changed in what we anticipated to gain from the imposition of the ceiling. It is apparent from the wording and the interpretation of the regulations that the Department of Health, Education and Welfare is substantially reducing the amount of money that is expended for social service programs. It is interesting to note that in the colloquy in both the House and the Senate, in discussing the imposition of the ceiling and the amendment to the revenue sharing act concerning social services, the obvi-

ous intent was that a ceiling be imposed but that the states be allowed the continued flexibility in developing programs to provide needed social services.

Let us make clear at the outset that we are not questioning the intent of Congress that services should be primarily for the most needy. What we do question is the fact that in issuing the regulations the Department of Health, Education and Welfare has gone beyond the intent of Congress, and they have, in fact, severely limited the kinds of services which can be provided to both welfare recipients and potential welfare recipients. In addition, it would be my estimate that by reducing the flexibility of the states to provide varying kinds of social services, the Department of Health, Education and Welfare is, in fact, working at cross purposes.

The new regulations have eliminated the bulk of those services which would enable individuals to improve themselves so that they would not have to depend upon public welfare for their existence. The major advantage of the old regulations was the fact that they provided needed flexibility to the states to be able to develop new and innovative programs which could, in fact, begin to reduce the welfare rolls. The new regulations will not only reduce the number of people eligible to receive these services, but will, in fact, do away with many worthwhile programs.

On this point, if I may, I would like to quote a statement of Representative Mills of Arkansas in discussing on the House floor the amendment to the revenue sharing act concerning social services. Mr. Mills stated:

"Let me get the record straight, if I may. We have not changed the definition of 'social services' that are available for those who are recipients of or applicants for welfare."

I think that in the colloquy on both the Senate and the House floors in discussing the amendment this was the intent of Congress. To illustrate further how the new regulations are contrary to the intent of Congress, let me provide you with some specific examples.

First, let me speak to the income standards. As you know, the regulations provide for eligibility to be determined by income, income being defined as 150% of the state's payment standard. In Tennessee we would have no argument with this provision if it were, in fact, 150% of net income; however, as the regulations are being interpreted, this will not be the case. The rule being applied by the Department of Health, Education and Welfare is that applicants for social services must be adjudged in the same manner as applicants for welfare grants. Allow me to give you two specific examples of how this rule will affect Tennessee.

First, a family of four with an income of $300 per month will be eligible for services provided that their other resources, such as, the value of an automobile, do not exceed $1,000, or they do not have insurance of the cash value of above $600. For another example let me cite a family of four with a retarded child in need of day care and an income of $500 per month. They would appear to be eligible for day care provided they pay a fee based on a scale set by the Department of Public Welfare. However, when it is determined that this family has an automobile valued at $800 and $300 in savings, then the family becomes ineligible for day care services for the retarded child.

It is obvious from these examples that the net result of this interpretation will mean that many people who are barely above receiving welfare grants will not be able to receive social services. I do not think that it was the intent of Congress to subject the working poor to the same eligibility standard as those people who are applying for welfare grants. Further, by requiring that assets be considered in determining eligibility for social services, the result will be the elimination of the "potential" category in Tennessee.

The imposition of this rule will force many families to make the difficult choice of either going on the welfare roll or denying their children much needed services. I would also point out that in many cases if a child is denied these needed services, we are assuring his becoming a recipient when he reaches adulthood.

It is obvious in this case that the regulations are, in fact, contradictory to the intent of Congress. Congress has long held that these programs should be used to enable people to be graduated off the welfare rolls. This interpretation will mean that before a person who is presently off the welfare rolls can become eligible for services, he must first place himself upon those rolls.

Now, if I may, I would like to illustrate to you some of the kinds of services and the effects of these services that Tennessee has been providing in the past which under the new regulations will no longer be available to those needy persons. In Tennessee, as in many other states, we have attempted to break the poverty cycle and particularly the welfare cycle through the use of day care programs. We have observed, as I am sure you have, that parents who are long-term recipients of welfare have tended to have children and grandchildren who also become welfare recipients. Day care programs which we have developed in Tennessee under the old social service regulations were designed to strike at the very heart of this problem.

We were attempting and succeeding in breaking this vicious cycle by giving children from very poor environments day care which would enable them to be better able to compete both in school and in society at large. An additional benefit was that the parents of these children were also enabled to begin to be better able to provide for themselves. The use of these day care programs enabled us in Tennessee to keep many families intact which would have otherwise been destroyed because of the internal tensions within the family unit. In many cases, day care was provided so that the parent could receive other services provided through the social service program. Day care was one of the programs to allow the mother to begin to seek training or to receive treatment for various problems such as alcoholism, family planning clinics or mental health and educational services to enable the mother to cope with her family. All of these services except those related to work and training are being eliminated under the new regulations. This is a step backward from the resolution of the problem.

Another exempted service which has been severely restricted by the new regulations is the alcohol and drug services. In Tennessee, where it was determined that treatment for alcoholism or drug addiction was necessary to the rehabilitation of an individual and where this service was not otherwise available, we have provided educational services, half-way houses, nonresidential treatment centers, and residential treatment services for individuals. The new regulations go beyond prohibiting services. They, in fact, prohibit us from providing any kinds of services to people who are not in active treatment programs.

In Tennessee, as in many other states, there is without a doubt a greater demand for services of this kind than there is a supply of such services; and as is true in all cases, when the demand exceeds the supply, the the case you can readily see that the poor price of the service increases. This being and, in particular, the welfare recipients are going to be excluded from these kinds of necessary services. The poor, the near poor and the welfare recipients are very susceptible to drug problems. The new regulations will prevent us from being able to provide any educational services to these people to prevent them from being subjected to the problems which accompany alcoholism and drug addiction. Here again you can see that the effect of the interpretation of the regulations is going to be a step backward and will, in fact, ultimately begin to increase the welfare rolls.

Another area of restriction is in the exempted category for mentally retarded. In Tennessee we had developed, or were in the process of developing, programs for the training of the mentally retarded adults to begin to move them away from institutionalization and toward self-sufficiency. We were using half-way houses to assist in moving people out of institutions into their local communities. In an effort to prevent further increases in the welfare rolls, we had developed outreach programs to identify mentally retarded individuals and had provided information referral services to enable them to begin to receive the necessary training and education to enable them to become more self-sufficient. In this area is one of the most obvious negative approaches taken by the regulations. Here the regulations imply that the only reason for providing services to mentally retarded is so that they may become self-supporting.

When you think of this, it is obviously a contradiction in terms of expecting an individual who is severely handicapped to become fully self-supporting. This becomes even more ridiculous when you consider that it also applies to children. You can readily see what these regulations have done is completely exclude any potential welfare recipients who are mentally retarded from receiving services. This is most curious when Congress itself established mental retardation as an area of priority concern.

Another category which has been eliminated is in the area of mental health. All services which were previously provided in the area of mental health are now prohibited by regulation. Without these services it is obvious that there are many individuals, both current and potential recipients of welfare, who will not be able to maintain their self-sufficiency much less obtain self-support. There is also a long range danger which is not considered in these regulations, and that is the lack of available services to children. Similarly, while it might be noted that health services as well as mental health services are excluded, in fact the regulations go far beyond this saying that screening and diagnostic services for potential recipients for social services are not eligible expenditures. This results in the situation of the welfare recipient's having to pay for his own diagnosis before he can become eligible for a service.

There are two other exempted categories that I have not yet spoken to. These are family planning and foster care. These two priority concerns are directly affected by the goals of self-support and self-sufficiency.

It is obvious from the wording of the goals for self-support and self-sufficiency that they are properly applicable neither to children who need foster care nor to individuals in family planning services. A child who needs foster care may well be from a family which does not meet the goal of self-support or self-sufficiency; however, to prevent this child from becoming an ultimate recipient of welfare, it will be necessary that he receive foster care services. This is also true in the case of family planning services as many individuals most needing this service would and could never become self-supporting. It goes without questioning that the lack of family planning practices among low income families is a primary contributing factor to dependency. We are well aware of the tremendous number of families currently on the welfare rolls because of the many

problems created by large family size, many of whom can never expect to move into self-supporting society without family planning services.

In closing, allow me to restate the major impact of the new regulations.

First, the regulations will prevent the expenditure of monies duly authorized by the Congress, with proper limitations already created in legislation.

Second, many valuable and even necessary programs and services are prohibited.

Third, programs in the areas of priority concern identified by Congress have been severely restricted.

Fourth, except in the area of self-support, the regulation prohibits any services for potential recipients.

We agree with both the President and Congress that the states should be held accountable to insure the proper expenditure of these funds. This can be done, however, without eliminating productive services for those most in need.

I respectfully submit for your consideration the concept of social service revenue sharing. This would provide the states with the necessary flexibility to meet their varying problems, while at the same time providing Congress the capability to determine the cost effectiveness of the programs. Congress has identified five areas of priority concern which Tennessee and the other states have developed and implemented programs to correct. The new regulations will effectively prevent the implementation of these programs by virtually eliminating the potential category through the "assets test" and an unduly restrictive self-support goal. Without the opportunity to serve potential recipients we will lose the capability to control the future size of the welfare rolls.

STATEMENT OF DR. RICHARD S. HODES

As a member of a state legislature, I feel that the legislature I represent accepts the same goals and concepts that Congress had in the passage of both the Social Security Act and the Revenue Sharing Act. We must be certain as public officers that the funds available for social services through legislation be directed as nearly as possible toward what is the original and primary goal of social services funding—the reduction of welfare assistance rolls.

I am concerned that the Department of Health, Education, and Welfare, and perhaps Congress in their zeal to direct these funds toward the agreed goals of cutting welfare rolls, may now have excessively limited certain services that are in fact very effective in accomplishing decreases in welfare utilization.

The latest Rules and Regulations promulgated by the Department of Health, Education, and Welfare seem to consider only two of many effective avenues available. The two are rather obviously worthwhile. One is the provision of Day Care which permits AFDS mothers to be trained for and seek productive employment or to keep an employed single parent of dependent children from having to seek public assistance so she can stay home with her children. However, even this latter program is severely limited in the Regulations by the assets and income level limitations.

The second recognized effort by the Department of Health, Education, and Welfare is that of family planning which brings to low income families the services necessary to help them limit the size of their families and reduce their potential for dependency. This program is also limited by the assets and income limitations.

Apparently unrecognized by the framers of the Health, Education, and Welfare Rules and Regulations, but nevertheless recognized by Congress in the Revenue Sharing Act, are services relating to alcoholism, drug abuse and mental retardation.

One of the areas of service made available to low income families in the Revenue Sharing Act is drug abuse treatment. The drug abuser with appropriate treatment can be rehabilitated if given an adequate opportunity for treatment. The untreated drug abuser with minimal education and a low income background is a prime candidate for welfare dependency. These services should be restored in the Rules and Regulations as contemplated in the Act. Specifically, the elimination of medical services as an integral part of diagnosis and evaluation severely limits this program.

The Revenue Sharing Act itself ignores or tended to ignore two major disabilities that encourage dependency and can be handled successfully with adequaate community based remediation services.

Deficiencies in mental health in the low income family, if dealt with in the earliest stages at the community level, offer significant prognosis for success and potential for eliminating the need for public assistance. Low income families whose members are victimized by psychiatric disease will become welfare dependent unless early treatment is instituted. This is particularly true if the victim is the family wage earner.

The rehabilitation of the low income youthful offender has been one of the most seriously impaired programs by the Health, Education, and Welfare interpretation of the Revenue Sharing Act.

The juvenile from a low income family who is unnecessarily institutionalized because of deficient community counseling and supervision and unavailability of specialized work training programs is a prime causative factor for an expanding welfare roll and the law enforcement crisis. As we each know, the middle and upper income youth is rarely declared "delinquent" and placed in a state juvenile facility because his parents can afford to provide him counseling and special schooling if necessary.

Community juvenile programs must be sophisticated enough to include a combination of counseling, foster care, education and drug abuse treatment. This group of individuals is an absolute source of welfare recipients. Failure to recognize the importance of community juvenile rehabilitation and counseling programs results in a repeated pattern of offenses or anti-social behaviour that creates a pool of individuals destined for future dependency.

Your staff and constituents have mentioned the adverse effect these Regulations have had on day care, legal services, family planning, retardation, work training, drug abuse and alcoholic programs. Florida is also concerned about mental health and potential juvenile delinquents. Each state has its own particular set of problems and priorities and there should be sufficient flexibility in the law and Regulations to allow states to program social service funds in accord with the particular needs of its citizens.

You have heard testimony to the effect that whatever services have been eliminated by the Regulations can be provided under some other federal act presently in effect or to be proposed. As a physician and state legislator, I am personally familiar with the Vocational Rehabilitation, Mental Health, Retardation, Alcoholic and Drug Abuse Programs funded with federal and state funds. Most of these services are inherently middle class welfare programs.

As a member of the legislative Appropriations Committee, I can tell you that the importance of flexible Social Security Act service funding is that it "forces" us to provide a minimum level service program to low income citizens who do not have the voice in government necessary to provide them needed services. At the same time, these services are cost effective in that they are designed to promote self-sufficiency and avoid welfare dependency. I might add that for the first time in Florida's history, the welfare rolls have declined over the last year.

Until recently, social service funding has been flexible enough to allow each state to develop its programs in accord with its own needs and priorities. This flexibility is even more justifiable when Congress has imposed a ceiling on the funding available for each state.

You have heard from the Department of Health, Education and Welfare that states have acted irresponsibly in expending social service funds. Unfortunately, I'm afraid that the charge of irresponsibility may, in part, be based upon the personal experience of many of the present HEW officials who were previously in charge of various social service programs in other states.

In Florida's case, we developed a detailed program budgeted plan for the entire state which was approved by HEW. We emphasized programs for alcoholics, drug abusers, aged, retarded, mentally ill, blind, and juvenile delinquents. Our standard for potential was 133⅓ percent of the Lower Living Standard for the Representative Florida Metropolitan Area as determined by the Department of Labor Bureau of Labor Statistics. We justified the level based upon a detailed analysis of the costs of services showing that the costs were such that a person would be forced into depending on state aid. (Attached is our analysis under Attachment A.)

The Bureau of Labor Statistics standard enabled us to avoid the problems caused by asset limitations and income disregard requirements. At the same time, it focused our programs on the poor and facilitated a simplified eligibility determination. We would recommend that HEW consider a similar basis for defining "potential".

I would also like to point out that we provided HEW with a projection of the impact of our social service programs. In the case of services to delinquent children, we projected that the utilization of social service funds, combined with *increased* state funds would result in a decrease in the number of children institutionalized and increase substantially the number of children provided services in the community.

In Attachment B you will see our original projection made in 1971 compared with our performance since that date.

Finally, Mr. Chairman I would like to bring to your attention something that concerns me very much. Last Wednesday, following Mr. Weinberger's Tuesday Testimony before your Committee, the HEW Regional Office held a briefing on the new Regulations for all south-eastern states. It has been reported by Florida staff people who attended both your hearing and the regional briefing, that there exists some serious inconsistencies in what HEW is saying to you and what they are saying to the states. Hopefully, these inconsistencies are unintentional.

To be specific, last Tuesday, Mr. Weinberger said that there was no attempt to restrict the potential category. At the regional briefing states were *emphatically* told that the potential category was severely restricted and that practically all emphasis would be on the actual welfare recipient.

More importantly, particularly to me as a state legislator, is the interpretation of the "maintenance of effort" requirement. In response to a question from Senator Roth last Tuesday, HEW stated that maintenance of effort would be determined from the "overall expenditure level of the agency", "not by specific program". In Wednesday's meeting, the states were told that Washington HEW had instructed that maintenance of effort would be determined by each separate program. In a state with a detailed program budget, such a requirement would severely limit program flexibility and continuity.

In conclusion, let me again express my concern that we in government have the

responsibility to attack the growing problem of welfare dependency. In carrying out this responsibility, we should not preclude the cost/effectiveness of providing services which could avoid potential dependency. I strongly recommend that if HEW does not revise the Regulations to allow more state flexibility that you develop the legislation necessary to insure that innovative social service programs can be developed in accord with the needs of each state.

ATTACHMENT A

State of Florida, Division of Family Services, proposed income standard for title IV–A services to severely disabled client groups

Children and families with problems of alcoholism, drug abuse; retardation or emotional disabilities require substantial financial resources to remain independent of public assistance. The nature of these disabilities requires expensive treatment and care which can rapidly deplete a family's resources to the point where they require public financial aid.

In recognition of the high cost of providing social services and treatment for severe disabilities, the Department of Health and Rehabilitative Services proposes that the Title IV–A eligibility income criteria for such service be based upon the representative Florida metropolitan area low living standard costs plus 33⅓% as determined by the U.S. Department of Labor, Bureau of Labor Statistics.

The following tables indicate the financial burden placed upon a family with one of the above disabilities and on income not exceeding the above standard.

AVERAGE PER PATIENT COST OF SERVICES REQUIRED FOR THE RETARDED

Service	Cost/unit (per day)	Monthly cost	Percent of monthly income[1]
Residential care	$14.52	$435.60	60
Nonresidential costs above normal expenses:[2]			
Day care or	6.85	205.50	28
Domestic help[3]	10.96	328.80	45
Extra medical[4]	1.37	41.10	6
Saving to provide for estate	7.95	238.50	33
Dental care	.41	12.30	2
Respite/summer camp	.33	9.90	1
Travel and transportation	1.37	41.10	6

[1] Family of four (4) earning $8,747 annually.
[2] In addition to costs listed, family units containing a retarded individual usually have higher insurance premiums, cosmetic operations, parental counseling, etc.
[3] Mothers of retarded children usually must work because of extra expenses involved and the need to get away from 24 hour supervision.
[4] This does not include visual, auditory or physical appliances.

AVERAGE PER PATIENT COST OF SERVICES TO CHILDREN WITH BEHAVIORAL DISABILITIES

Services	Cost/unit (per day)	Monthly cost	Percent of monthly income[1]
Small group treatment homes	$25	$750	103
Halfway house and start centers	15	450	62
Intensive training: Centers and forestry camps	24	720	98
Intensive counseling services	2	60	8

[1] Family of four (4) earning $8,747 annually.

AVERAGE PER PATIENT COST FOR DRUG ABUSE TREATMENT

Service	Cost/unit (per day)	Monthly cost	Percent of monthly income[1]
Intensive treatment (residential)	$12	$360	50
Intensive treatment (day care or outpatient)	8	240	33
Treatment plan with support services	40	160	22

[1] Family of four (4) earning $8,747 annually.

AVERAGE PER PATIENT COST FOR PRIVATE MENTAL HEALTH TREATMENT

Service	Cost/unit (per day)	Monthly cost	Percent of monthly income[1]
Residential treatment	$80	$2,400	328
Outpatient psychiatric treatment	[2] 7	210	29

[1] Family of four (4) earning $8,747 annually.
[2] Based on a 1-hour visit per week.

INCOME LEVELS FOR DETERMINING ELIGIBILITY FOR SERVICES UNDER TITLE IV–A

Family size	1	2	3
1	$1,322	$1,983	$4,328
2	1,721	2,581	5,635
3	2,315	3,472	7,580
4	2,671	4,007	8,747

1. Division of Family Services income standards.
2. Division of Family Services income standards plus 50 percent.
3. Representative Florida metropolitan area annual low living standard costs plus 33⅓% percent as determined by U.S. Department of Labor, Bureau of Labor Statistics, "Guide to Living Costs, Spring 1970."

TESTIMONY OF CONGRESSWOMAN BELLA S. ABZUG

Mr. Chairman, I would like to thank you and the Committee for giving me the opportunity to testify on the new social service regulations issued by the Department of Health, Education, and Welfare.

This has been an issue of deep concern to me, one that I have actively pursued since I received an advance copy of the first version of these regulations, before they were issued in February.

Even a cursory analysis of that first version showed them to be most punitive in effect and at variance with the philosophy of Congress. The major goal appeared to be an immediate cutting of money costs, no matter what the cost in human deprivation or the real longterm cost to society of salvaging individuals or families robbed of the hope of becoming self-sufficient.

I protested vigorously at that time and continued to raise objections to the regulations in meetings with HEW Secretary Caspar Weinberger and other members of Congress, in letters and in co-sponsorship of legislation. Together with child care organizations and women's groups, I sponsored Working Mother's Day protests on April 10 to point up the fact that the new regulations would drive out of child care programs working mothers with even modest incomes, forcing many of them to go on welfare to qualify for care for their children.

More than 200,000 letters and telegrams protesting the regulations were sent to HEW from all parts of the country. The so-called final version of the new regulations, issued by Mr. Weinberger May 1, meets some of the objections raised in the first go-round. More careful analysis makes it clear, however, that there are still some very real and serious objections to the regulations, and I strongly urge that they be further revised.

Mr. Chairman, I understand that in a colloquy with you last week Secretary Weinberger raised some possibility of changes in the new regulations. I believe it is essential that the door not be closed on further necessary changes before these regulations are put into effect. There are various "catch-22's," loopholes, and disregard for quality standards in the regulations that require correction, and I am very grateful to this committee for conducting hearings that make it possible to spotlight these deficiencies.

I will address myself to some of the specific problems in a moment, but first I would like to comment on the overall implications and results of these administrative regulations.

When social services were first added to social security legislation, it was done because Congress realized that just giving money to an individual or family in need was not enough. Without back-up services, the problems that forced people onto welfare would not go away nor would more people receive the preventative help that would keep them from entering the welfare system. With these remedial goals in mind, Congress passed the public welfare amendments that established the 75% federal match.

The definition and nature of social services was left to be determined by the states and the Department of Health, Education and Welfare. It was under this program, and the 1967 amendments thereto, that some of the most innovative and creative programs were developed—programs that had the object of helping people get off public assistance and keeping off others, who were not yet receiving cash grants, by enabling them to be self-supporting.

And yet now, in an Administration that pays lip service to the "new federalism" and professes reverence for the "work ethic," we have a set of regulations that places undo authority at the federal level, penalizes the working poor and lower middle class, and in some cases provides incentives to stay on welfare and not become self-supporting.

Now for the specific problems in the regulations. Both the February and May versions include a new requirement that eligibility for services be linked to the various states' resource test for assets. I know that this question was raised with Secretary Weinberger and I think it is important that you know the situation in my state.

In New York State (under the resource test for welfare assistance) an individual can have absolutely no bank accounts, either checking or savings, no insurance with a face value of more than $500, and no personal effects not essential to running the home or related to work.

This means that an individual cannot open a savings account, cannot join the payroll savings plan for U.S. bonds, and cannot even join a Christmas Club.

Let's think of what this means to a working woman who needs a job to support her family and can only work if her child is cared for in a subsidized center. She may work for a company that provides a life insurance policy of $1,000 or more as a standard benefit. What is she supposed to do? Quit her job and look for one that doesn't provide any benefits? If she is thrifty enough to save a few dollars or requires the convenience of a checking account to pay her rent and utility bills, should she be penalized by being deprived of child care facilities so that she can no longer work at all?

If this isn't a "catch 22" in the new regulations, I would like to know what is.

It certainly undercuts the easing of income eligibility requirements for child care services in the May 1 regulations, which were welcomed by us as recognition by Mr. Weinberger that the draft regulations were discriminatory against working women.

While there have been some improvements in the sections dealing with child care in these regulations, there are still enough loopholes and oversights to warrant HEW's changing them, with time for public comment, before they become effective.

In addition to the resource test or liquid assets test, the regulations no longer require that in-home child care must meet standards recommended by the Child Welfare League and the National Council for Homemaker Services. No longer is there a requirement that the care must be suited to the individual child and the parent or guardian involved in the selection of the care. No longer is there any mention of the necessity of progress in developing varied child care sources so that there can be a choice for the parents. And significantly, although the new

regulations say that facilities must meet standards as outlined by HEW, there is no direct mention of the federal interagency day care standards. These standards are clearly set forth in the report accompanying the OEO amendments in 1972 as Congressional intent.

Another issue raised last week and one that I would like to reiterate is the problem of income disregard. A public assistance recipient is allowed to deduct certain work-related expenses, such as social security and union dues, whereas the worker who is struggling to be economically independent, who is holding a job and not receiving cash grants, is not allowed to deduct these expenses. Thus, we have another example of a regulation that makes it more advantageous for an individual to receive a cash grant than to work and try to be self-supporting.

One of the most serious deficiencies in these new regulations is the question of program eligibility. The states are told that they must make available at least one of the services mentioned under the Adult Services Program. The regulations thus place the states in a dilemma. In one situation the states, in an effort either to meet their spending ceiling or in an effort to reduce programs, may make only one of the listed services available to appropriate applicants. For example, a state may then specify that it will only offer protective services, but not health related services, or homemaker services, or transportation services, regardless of the specific need of the individual applicant.

On the other hand, the state may allow all of the services that were previously mandated but because of the funding ceiling the agencies may be forced to compete with each other for dwindling funds. I am afraid that these regulations will lead many administrators to say, as King Solomon did, "Cut the living child in half, giving half to one and half to the other." The solution here is to provide sufficient funds to continue the services.

The program definitions also create problems that I would like to illustrate. In New York State we have a program called the Welfare Education Plan. This program has been funded since 1962 with Title IV–A money and in New York City is administered by the Board of Education. Under the new regulations this program would be shut down because it costs money. Yet it has an 11-year record of success. The program works with public assistance recipients over 18 who have less than an 8th grade equivalency education or have English language deficiencies. They are taught English, helped to get high school equivalency diplomas and placed in jobs, job training programs or in schools for more advanced work skills or education.

Some of those who have benefited from this program came by my office last week and explained how as of July 1st, 7,000 people will be shut out of a program that has success stories like these:

These are the words of Monserrate Velez, who came to New York from Puerto Rico in 1961. "A few years later," she told me, "I was in a wheelchair, a total invalid with two small children. I had no hope at all for my future.

"I came to the Welfare Education Plan in January, 1969," she continued. "School became the only bright spot in my life. My teachers' friendship and encouragement helped my self-confidence. I passed the eighth grade test and then the high school test. Now I am at the Interboro Business Institute preparing to be a bilingual secretary. I can hardly wait to get a job so I can get off welfare. I am even learning to walk again."

I know that last week Senator Mondale described a similar program in Minnesota. These are the programs that are filling the gaps between agencies and services, that provide people with the hope of dignity and self-help. We must not let them fall by the boards. I am also certain that as you continue these hearings and take the testimony of the governors and their representatives you will hear more stories like that of Monserrate Velez.

There is another point I would like to make in response to Secretary Weinberger's testimony of May 8. It has to do with the question of the $2.5 billion ceiling on federal spending for social services. Secretary Weinberger was quite clear in saying that if each State spent the full amount of the money it was eligible to spend, HEW would certainly authorize full reimbursement. Yet, at the same time, he indicated that under the new regulations the estimates for total spending are only $1.8 billion, $700 million below the ceiling authorized by Congress.

If there are states that will not be able to send their full allotment, then we should have a reallocation formula to allow the additional money to go to states with programs in need of these funds. Another recommendation I would urge is enactment of my measure, H.R. 245, which would exempt child care from $2.5 billion ceiling. This would enable us to continue obviously useful child care programs, but not cut the expense of the other needed services.

There are many other areas of concern to me in these regulations that I will touch on briefly.

We need a clearly defined fair hearing process. Under the regulations there are no advisory committees for any group of services other than child care, and child care advisory committees are recognized only at the state level and include no parent participants.

There is also the problem within the regulations that the states may have to wait even longer for guidelines to be issued implementing these regulations. These guidelines, which may or may not come out before July 1, will have as much effect as the regulations themselves but are not subject to the review process of public comment that was so useful in changing the first draft of these regulations. I believe it is important that the guidelines be made public as soon as possible and that, like the regulations, they be subject to further change.

In conclusion, Mr. Chairman, the original intent of Congress was to provide services that would strengthen family life, foster child development, help people to support themselves, and aid, with dignity, those who cannot. This should remain our goal and no administrative regulations should be allowed to subvert our purpose.

Testimony of the Honorable Shirley Chisholm

New Social Services Regulations

Mr. Chairman, I want to thank you and the other members of this Committee for allowing me to testify today. As one who represents a constituency which is profoundly affected by these regulations, I am very concerned about the impact of the proposed changes upon their lives. As a former day care teacher, director, and consultant with 19 years of experience in the field, I am critical of the impact upon the quality of our Social Services programs. And finally as a Legislator, I am outraged at the attempt by H.E.W. bureaucrats to usurp the powers of Congress by writing regulations which both exceed and thwart the will and intent of Congress.

On this last point I would like to note that in conversations with both members of my staff and with constituents, H.E.W. personnel have indicated that they plan to implement them *as is* on July 1st. I'm not sure what H.E.W. thinks the purpose of these hearings is, but perhaps the Senate Finance Committee should make a point of the fact that you are not sitting here listening to testimony for your health, and that you do believe that there ought to be further revisions before the guidelines are implemented.

In their defense of the guidelines proposed in February and the revisions made in May, H.E.W. has said that they are attempting "to target on those with the greatest need." Unfortunately, their definition of "those with the greatest need" seems to be *current* welfare recipients.

It is true that the Congress indicated that the bulk of the Social Services monies (90%) should go to current recipients, but they also specifically and consciously exempted certain kinds of programs—foster care, drug and alcohol abuse, day care, family planning, and programs for the retarded—from the 90–10 rule. The effect of the proposed income formula and the proposed 3 month/6 month definitions of eligibility is to deny help to past and potential recipients and to invalidate and negate the intent of the exemptions mandated by Congress.

By focusing only on current welfare recipients, H.E.W. is establishing a disincentive to work and is ignoring the very real needs of the working poor. It should be pointed out that:

According to the 1970 Census, there are still some 25.5 million poor in the nation;

Only 21.5% of these families are on welfare;

Over 40% of these poverty families are headed by women;

Over 50% of all poor Black families are headed by women;

The number of female headed families is growing. In 1960 25% of all marriages ended in divorce or annulment. By 1970 the figure was up to 35%;

Among women as heads of households, 215,000 worked sometime during the year, but fewer than 10% worked full time year around. It is mainly their duties at home that kept them out of work;

Of those who worked, over half are employed as service workers or maids. And more than half of the women who headed families worked as maids in 1970, and this is a group whose average income was under the federal poverty line. (The median income for domestics is $1,800.);

Among married women in 1970, 8 million earned between $4,000 and $7,000, and two-thirds of them were married to men who earned less than $10,000;

The median income—all males, $6,429;

The median income—minority males, $3,891;

The median income—all females, $2,132; and

The median income—minority females, $1,084.

The working poor need help just as badly as those currently on the welfare rolls and are in many respects most deserving of our help because they are doing their level best not to become dependent upon public assistance. Ironically, this was precisely the central point of the Administration's Family Assistance proposal.

I would like at this moment to deal with several technical points with regard to the income formula. The problem with the original proposal of 133⅓% was not only that it was inadequate but also that it was inequitable. The inequities remain despite the fact that the formula has been raised to 150%. In fact the formula merely compounds the inequities.

For example, if you live in Alabama, you lose your eligibility for free child care if your income exceeds $1,746, but in Connecticut, you remain eligible for free child care with an income of $6,084. Even allowing for cost of living variables this formula discriminates against those living in our poorer—which tend to be our Southern—States.

Free Services ought to be available for low income families no matter what States they reside in. In fact the legislative history

of the Day Care and Child Development bill makes it clear that Congress believes this is just and right. In the Senate version of the Day Care bill, Congress approved free Child Care Services up to the Bureau of Labor Statistics Lower Living Standard Budget, which at that time was $6,900. On the House side, the Erlenborn substitute provided for free Services up to $4,320.

Under the proposed 150% formula, 21 States would not provide free Services at the level suggested in the Erlenborn amendment. As is indicated in the attached table,[1] the Payment Standard is not even equal to the Needs Standard established by 20 of the States (24 States, if the states marked * * are counted). Additionally in 18 of the States, the Payment Level—or the actual amount of the stipend the recipient receives—is lower than the Payment Standard.

It would be far more equitable if the formula were based not on the Payment Standard but upon the Needs Standard. At the very least there ought to be an income floor for free Services to protect those residing in our poorer States.

Another area in which I believe it would be useful for this Committee to spell out some recommendations is with respect to income disregards. The proposed regulations do not specify whether the income limits are to be applied to gross income or to net income after deducting work expenses, but replies of H.E.W. officials to questions in this area seem to indicate that the Administration is leaning toward the use of gross income figures.

As is the case with the income formula itself, this approach will create inequities. First there is the amount taken out in Social Security taxes. Secondly, some States have a State income tax while others do not. Rents are exorbitant in a city such as New York because of the terrible shortage of housing, while in a suburb this might be less of a problem. In rural areas transportation is absolutely essential because of the distances involved. Allowances for deductions for transportation costs would be a necessity for a person who does not own or have access to a car. In some instances union membership is a prerequisite for employment; in others special clothing is required.

In all of the above situations, the citizen has virtually no control over these expenditures. They are really automatic and cannot be regarded as disposable income. There will also be considerable variation in the above costs according to one's place of residence. For these reasons it would be both inequitable and unfair to use a gross income figure in assessing the eligibility for Services.

While we are on the subject of finances, I think it important for the Committee to secure from H.E.W. some clearer definition of the expected administrative costs which the new monitoring system will entail. The rechecking of individual eligibility for Services every 6 months is going to increase overhead costs, but H.E.W. has indicated that they will not reimburse the States for this increased expense. While one can understand that careful monitoring is necessary to ensure that public monies are correctly spent, it must also be remembered that enforcement mechanisms cost money.

Which brings us to the next point. Under the new regulations, the reimbursement of the cost of enforcing existing State and Federal Day Care Regulations would not be allowed. As one who has spent years in the field, I am deeply concerned about the impact of this proposed change upon the quality of our child care programs. Without frequent inspection and aggressive enforcement, abuses will rapidly mount. We have all seen how many of our facilities for the mentally retarded and mentally disturbed have been turned into snake pits. The same could quickly happen to our child care programs if the States should come up with the funds for enforcement themselves, but the reality of the situation is that with the tremendous pressure for the expansion of services enforcement will have a low budget priority at the local level.

The quality of our programs is threatened in another way by the new guidelines which drop the old requirement for an AFDC Advisory Committee, the required recipient participation in the Advisory Committee on Day Care Services, and the lack of a mandated fair hearing procedure.

As a professional in the field myself, I believe strongly in the role of specialists, but I also believe that parents can make equally important contributions. Having heard nearly every member of this Congress make a speech criticizing bureaucrats and advocating the importance of input, participation and control at the local level, I believe there is strong support for reinstating and reaffirming recipient participation as outlined in the existing regulations.

Before we leave the subject of Day Care, I would like to make one final comment. Under the proposed regulations, H.E.W. has proposed that recipients of Services would pay for Services on a sliding fee schedule between 150% and 233%. When H.E.W. in a similar situation established a fee schedule for the Head Start program, the fees were so high that it was like sending your child to private school.

I would like to suggest that you recommend that H.E.W. consider the fee schedules devised by the House-Senate Conferees when we were considering the Day Care and Child Development Bill. The Fee Schedule had bipartisan support and although it would have to be revised to take into account the increase in the BLS Standard (Bureau of Labor Statistics Lower Living Standard budget for an urban family of four), it provides a useful indication of Congress' view of an appropriate fee schedule. It allowed free child care for any family earning up to $4,320. Families earning from $4,320 to $5,916 would pay 10% of the increase over $4,320 or $159 plus 15% of the increase over $5,916. At the $6,960 level, the cost would be $317 and the Secretary of H.E.W. would set the fees above that income level. (See page 18, Section 516 (8) (A) and (B) Conference Report 92-682 Economic Opportunity Amendments of 1971, U.S. House of Representatives, November 29, 1971.)

Although I have concentrated my remarks upon the impact the new regulations would have upon Child Care programs, there are others as deeply affected.

One of the most serious effects is on the education programs which are now currently funded by Title IV-A funds. Not only would federal funds be disallowed for the few college programs which have been established to help welfare recipients to become independent wage earners, they would also eliminate education programs at the secondary level.

In New York City our Welfare Education Plan, which is run with Title IV-A money by the Board of Education, has some 7,200 students currently acquiring 8th Grade and High School equivalency certificates, as well as learning English as a second language, Job Orientation and Referral, preparation for Civil Service exams, Consumer Education, Health Education, and Family Planning. They have been advised that under the new regulations, they would not be eligible for Title IV-A funds. All of the people in the program are welfare recipients. And without this education they could not even qualify for entry into the WIN program.

Some basic education is necessary for even the most unskilled job, and today's job market frequently calls for much more in the way of education and training, so to shut down this kind of education program is just foolish and totally contradictory to the intent of the Social Services legislation which is to help people get off and stay off public assistance.

For those of you who are interested in further details about the New York Welfare Education Plan, written testimony is being submitted to the Committee by the Project Director James N. Warren.

I realize that these hearings today are focusing on the H.E.W. Regulations, but in closing I hope this Committee might consider some amendments to the Social Service Legislation at some future date.

First, I hope that Chairman Long will again introduce his amendment to exempt Child Care and Family Planning from the Social Services Ceiling. These programs are clearly related to the ability of welfare mothers to remove themselves from the welfare rolls. We ought to be encouraging States to expand Child Care and Family Planning Services, and removal of the ceiling would accomplish this.

Secondly, I would hope that Congress would add at least two additional exemptions to the five existing exemptions from the 90-10 Rule. I believe that the handicapped ought to be equally as eligible for exemptions as the retarded because their problems are so similar. For the retarded and handicapped, the need for Services is not related so much to their income as to their disability.

The addition of Senior Citizens to the exemption list would be helpful because it would enhance the continued expansion of ambulatory care services for the elderly which in the long run is less costly to the public as well as the person being assisted.

[1] The table utilized H.E.W. statistics and was prepared with the assistance of the Washington Research Project.

SOCIAL SERVICES TABLES

State (for an AFDC family of 4)	Annual payment standard	Payment level July 1972 figures	Needs standard July 1972 figures	150 percent	233⅓ percent
Alabama	$1,164	$1,164	$2,760	$1,746	$2,716
Alaska	4,800	4,500	4,800	7,200	11,200
Arizona	3,384	2,208	3,384	5,070	7,896
Arkansas	2,748	1,332	(1)	4,122	6,412
California	[2] 3,768	3,360	(1)	5,682	8,792
Colorado	2,904	2,904	2,904	4,356	6,776
Connecticut	4,056	4,056	4,056	6,084	9,464
Delaware	3,444	1,824	3,444	5,167	8,039
District of Columbia	$2,868	$2,868	$3,816	$4,382	$6,692
Florida	2,676	1,728	2,676	4,014	6,244
Georgia	2,724	1,788	2,724	4,086	6,356
Hawaii	4,008	4,008	4,008	6,012	9,352
Idaho	3,384	3,384	3,768	5,076	7,896
Illinois	3,264	3,264	3,264	4,896	7,616
Indiana	4,356	2,460	4,356	6,534	10,164
Iowa	[3] 3,600	2,916	(1)	5,400	8,400

Footnotes at end of table.

SOCIAL SERVICES TABLES—Continued

State (for an AFDC family of 4)	Annual payment standard	Payment level July 1972 figures	Needs standard July 1972 figures	150 percent	233⅓ percent
Kansas	$3,864	$3,864	$4,116	$5,796	$9,016
Kentucky[3]	2,808	2,052	2,808	4,212	6,552
Louisiana	1,296	1,296	2,316	1,944	3,024
Maine	4,188	2,016	4,188	6,282	9,772
Maryland	2,400	2,400	3,732	3,600	5,600
Massachusetts	4,188	4,188	4,188	6,262	9,772
Michigan	4,332	4,332	4,332	6,498	10,108
Minnesota	4,068	4,068	4,068	6,102	9,492
Mississippi	3,324	720	3,324	4,986	7,756
Missouri	3,636	1,560	3,636	5,454	8,484
Montana	2,472	2,472	2,700	3,708	5,766
Nebraska[3]	3,684	2,712	3,684	5,526	8,596
Nevada	2,112	2,112	3,846	3,168	4,928
New Hampshire	3,528	3,528	3,528	5,292	8,232
New Jersey	3,888	3,888	3,888	5,832	9,072
New Mexico	2,436	2,148	2,436	3,654	5,684
New York[3]	4,032	3,756	4,032	6,048	9,406
North Carolina	1,906	1,906	2,208	2,859	4,447
North Dakota	3,600	3,600	3,600	5,400	8,400
Ohio	2,400	2,400	3,096	3,600	5,600
Oklahoma	$2,268	$2,268	$2,664	$3,402	$5,292
Oregon	3,204	3,204	3,996	4,006	7,476
Pennsylvania	3,756	3,756	3,756	5,634	8,764
Rhode Island	3,156	3,156	3,156	4,734	7,364
South Carolina	2,496	1,248	2,496	3,744	5,824
South Dakota	3,420	3,420	3,600	5,130	7,980
Tennessee	2,604	1,584	2,604	3,906	6,076
Texas	1,776	1,776	2,364	2,664	4,144
Utah	2,820	2,820	3,864	4,230	6,580
Vermont	4,020	4,020	4,020	6,030	9,380
Virginia	3,132	3,132	3,348	4,698	7,308
Washington	3,528	3,528	3,672	5,292	8,232
West Virginia[4]	1,656	1,656	3,180	2,484	5,796
Wisconsin	3,624	3,624	3,744	5,436	8,456
Wyoming	3,120	3,120	3,396	4,680	7,279
American Samoa					
Guam					
Puerto Rico	1,584			3,276	3,696
Trust Territory					
Virgin Islands	1,992			2,988	4,648

[1] Figure is probably the same as the payment standard.
[2] There was some question as to whether or not this is the accurate figure for the payment standard.
[3] In these instances in the States of Iowa, Kentucky, Nebraska, and New York there seems to be a question as to the accuracy of the HEW payment standard figures. Iowa's standard is 81 percent of need which would be $2,916, Kentucky's is 73.1 percent of need which would put it at $2,052, Nebraska's would be $3,348 and New York's at 90 percent of need would be $3,629.
[4] 1971 data.

SUMMARY OF THE PRINCIPAL POINTS OF TESTIMONY PRESENTED BY JULE M. SUGARMAN, ADMINISTRATOR, HUMAN RESOURCES ADMINISTRATION, BEFORE THE COMMITTEE ON FINANCE, U.S. SENATE

1. Despite Secretary Weinberger's contention that the final regulations governing social services under Titles I, IV, X, XIV, and XVI of the Social Security Act will enable families to get off welfare rolls and onto job rolls, my assessment of impact of the regulations is that they are designed to achieve the opposite result.

2. The single thrust of the regulations, as promulgated, is geared to short range budgetary savings. The net effect of this maneuver will mean that the $2.5 billion authorized by Congress under P.L. 92-512 (General Revenue Sharing) can not be utilized by the States.

3. By mandating that persons eligible for services, including day care for children, meet the same resource requirements as persons eligible for financial assistance, the regulations will force near poor working families to liquidate all assets to qualify for services in New York State or else be dishonest and lie about assets in order to be eligible for services. In New York State a family with $10.00 in the bank, is now ineligible for any service funded under Titles I, IV, X, XIV, and XVI. In view of this, I recommend that HEW's policy on assets be revised so as to allow potential recipients for services to maintain limited assets, e.g. $2,000 for a family of four.

4. The Congressional mandate that 90% of services to the aged be provided to *current* welfare recipients places a horrendous restriction on the bulk of New York City's poor aged population who will no longer be eligible for federally sponsored services such as hot meals and recreation in senior citizen centers. Of the 200,000 elderly citizens below the poverty level in New York City, less that 40% are current public assistance recipients. Although apparently eligible for financial assistance, our experience has shown that our poor aged population who emigrated from Europe and helped build our great country, are too proud to apply for welfare. By disallowing their participation in senior citizen centers, we are unjustly burdening the remaining days of our poor senior citizens who have secured relief from isolation and despair in our centers and in many instances were provided with the single hot meal of the day.

5. Congressional action is our only redress and hope. Congress must move to limit the authority of the Secretary of HEW to impose by regulation additional restrictions upon the viability and use of federal funds authorized for social services under the public assistance programs established by the Social Security Act.

I am suggesting legislation which at the least would provide for the following:

A. The authority of any State to define the categories of classes of individuals who are eligible to receive social services;

B. The authority of any State to include as social services, comprehensive services for children, the elderly and disabled (including such programs for mentally retarded children and adults);

C. The authority of any State to submit a plan to the Secretary of HEW which will specify the procedure for redetermination of eligibility within a time frame not to exceed six months following July 1, 1973;

D. The authority of any State to submit for consideration to the Secretary of HEW a plan for group eligibility determination if such a request is based on valid program considerations;

E. The responsibility of HEW to provide de-facto substantive technical assistance to all States to promote and insure sound and efficient systems of accountability and program delivery so that social service expenditures are geared to removal from welfare rolls and maintenance on job rolls in AFDC categories and maintenance in the community instead of institutions in the DAB categories.

TESTIMONY OF JULE M. SUGARMAN, ADMINISTRATOR, HUMAN RESOURCES ADMINISTRATION, CITY OF NEW YORK, BEFORE THE COMMITTEE ON FINANCE, U.S. SENATE

Mr. Chairman and Members of the Committee: It is with great concern that I address you today. As you know on May 1, 1973, the Secretary of Health, Education, and Welfare had published in the Federal Register the final regulations governing social services under Titles I, IV, X, XIV and XVI of the Social Security Act.

In announcing the publication, Secretary Weinberger referred to the fact that these regulations governed a series of programs developed to: "get families off the welfare rolls and onto the job rolls—and keep them there". We in New York City fully subscribe to this goal. However, I regret to have to inform you that the final regulations, heralded by the Secretary, are going to accomplish just the opposite. I will fully discuss how these regulations are in effect designed to keep families on the welfare rolls and off the job rolls. In addition, they are also designed to disregard the basic needs of our aged, blind and disabled population by deemphasizing programs which could be effective in keeping that population out of costly institutional care which will now have to be covered out of the open ended funding of Title XIX of the Social Security Act.

It appears to me that the single thrust of the regulations is geared to short range budgetary savings by restricting the definition of potential eligibility. Under these regulations the ceiling authorized by Congress under Revenue Sharing would not need full appropriation. This shortsighted maneuver however, does not address itself to the fact that these regulations will substantially increase the costs of categorical assistance and Medicaid payments. Obviously the action of the Secretary is fully in line with the President's proposed budget which, under the guise of inefficiency and inefficacy, seriously deemphasized domestic social programs legislated by Congress.

A total of 208,515 comments were received by HEW after publication of the proposed regulations. This is an unprecedented and unequaled number of comments on proposed regulatory material. I submit that the resulting changes in the regulations represent only a token gesture on the part of the Federal Government.

The amendment of the income definition for potential recipients offers little improvement since the resulting figure is only 78.5% of the Labor Department's minimum adequate level of $7,578 for a family of four in New York City. Raising the income level for the potentially eligible from 133⅓% to 150% of a State's financial assistance payment standard in the categories of Aid to Dependent Children, and Disabled, Aged and Blind, or from $5,376 to $6,048 for a family of four in New York City, will mean approximately 50% instead of 43% of our current categorically related service caseload can receive federal reimbursement.

The raise in income eligibility for child day care up to 233⅓% of the State's financial assistance standard is somewhat better. However, both the 150% and 233⅓% standards are essentially meaningless because they continue to be coupled with a requirement that the families: "Do not have resources that exceed permissible levels for such financial assistance under the State Plan. . . ." In New York State the State Plan specifies that an applicant to be eligible for financial assistance *can not have any assets*, with the possible exception of a burial reserve fund permitted to those who are seriously ill. $10.00 in the bank will disqualify a family from any service whatsoever. How can we argue that the family should prudently manage their affairs if the result is to disqualify them from all service? I

think what HEW is doing is creating a self-fulfilling prophecy that welfare recipients will cheat. The availability of child care to a working mother or the importance of a meals-on-wheels program to an older person is just too great for them to resist the temptation. These are neither dishonorable nor dishonest people. They are people who are trying to be decent citizens, but who because of the arbitrariness of government regulations cannot be so.

Consider the case of "Mrs. John Smith" and her two children aged 4 and 8. A widow of a U.S. Marine killed in the Vietnam combat, she and her children receive $2,868 per year in widow's benefits. To supplement her income, Mrs. Smith works in a department store earning $4,144 per annum, giving her a combined yearly income of $7,012. Mrs. Smith received insurance monies when her husband was killed, and this she carefully invested in U.S. Savings Bonds for her children's future education. Only $2,000 of those bonds remain. She is able to work only because she could obtain federally supported day care for her children.

Under the new regulations, as a resident of New York State, Mrs. Smith is no longer eligible for federally supported day care because she has invested in her children's educational future! Mrs. Smith now faces the decision of liquidating her bonds in order to meet eligibility requirements, lying about the bonds, or paying the full cost of day care which amounts to $4,225 per year leaving a bare $2,787 per year, or approximately $53.00 per week on which her family would have to pay for food, clothing, housing, medical care, and all other expenses.

Mrs. Smith's other possible alternative would be to make a "private" arrangement for child day care at a fee she could afford. That means that she would have to take a chance on the type of care that her children would get. A chance that may mean that her children could be abused and neglected, a chance no mother should be forced to take.

If Mrs. Smith removes her children from day care, quits her job, cashes in her bonds and applies for supplemental public assistance, she and her family then become eligible for Medicaid coverage, Food Stamps, and other necessary services in addition to her AFDC grant. She would cease paying City, State, and Federal taxes and would join those who are on the welfare rolls and those whom the Secretary of HEW is trying to get back to work.

Some have suggested a solution to this might be to have states change their assets definitions for public assistance applicants. That solution, however, has two basic problems: It is extremely doubtful that any state would be sympathetic to broadening eligibility for assistance and it is certain that broadening eligibility on the part of New York State for the federal categories of assistance would spur an increase in welfare rolls and swell the fiscal burden for the City, the State and the Federal governments.

We recommend that HEW's policy on assets be revised to state that the limitation on assets for services shall, in no case, be less than the level of public assistance to which a welfare-eligible family or individual would be entitled over a six-month period (exclusive of any burial expenses). For example, a senior citizen in New York would then be permitted to have assets of roughly $1,000 in New York City; a family of four approximately $2,000.

How ironic, that the current Administration with its thrust to return power to the States and deemphasize centralize "red tape" has published regulations which deny the right to States to establish income eligibility criteria for federally reimbursed services by insisting that these be tied to plans which the States have filed with HEW for assistance payments eligibility. Our examination of the Social Security Act does not indicate that the definition of a potential recipient has to be developed within the context of the State plan which defines eligibility for categorical financial assistance.

Although we welcome the changes made from the proposed regulations in the areas of inclusion of mentally retarded in child day care services, use of donated funds, placing redetermination of eligibility at six months instead of three months, reimbursement of foster care services provided to voluntarily placed eligible children, inclusion of Federal participation in cost of medical examination required for admission to child care facilities when not available under Medicaid, and provision of information and referral for employment purposes without regard to eligibility, we deplore the half way measure of grand-fathering in of the mentally retarded for services. In effect the Secretary has conceded to consider as eligible, under previous criteria, all of the mentally retarded who qualify up to December 31, 1973.

In New York City that means that after December of 1973, as in day care for children, parents needing services for a retarded child can obtain them with Federal reimbursement only if they are willing to exhaust all of their assets. As in day care, this is an unreasonable and deleterious constraint which ultimately will be more costly both socially and fiscally as more retardates are pushed into institutional settings.

There is a basic inconsistency in these regulations. Although they define redetermination of eligibility as mandatory every six months, they specify redetermination of eligibility for services of the current service caseload within three months of July 1, 1973. This means that in New York City alone we would have to reexamine 299,000 cases which, when calculated on the average time of 45 minutes per case to redetermine financial eligibility and reexamine the case plan, would mean an additional cost of $1.8 million, and a virtual cessation of service delivery as we concentrate staff resources on the redetermination effort.

In preparation for this testimony, I have reviewed the Congressional Record of Thursday, October 12, 1972 and Friday, October 13, 1972. I have also reread the Conference Report No. 92–1450 which accompanied H.R. 14370 (State Local Fiscal Assistance Act of 1972). I have also reviewed Senate Report No. 92–1050 (Part 1), prepared by the United States Senate Committee on Finance in relation to the Revenue Sharing Act of 1972. None of these documents suggest any legislative intent to alter substantively the authority of each State to request what that State considers an equitable, efficient and effective definition of eligibility for services. Nowhere is there the suggestion that group eligibility should be eliminated. The thrust of the legislative intent appears to be to provide a fiscal limit to explosion of cost and to tighten program review to assure regulatory compliance and local maintenance of effort.

I unequivocally state that HEW has gone beyond legislative intent. I further submit that the Department has abrogated its leadership by failing to require that basic services be provided to the disabled, aged and blind. This is especially grievious since on January 1, 1974 the Social Security Administration will take over assistance payments in those categories and the States will have responsibility solely for services. Since the depression this country has looked to Washington for leadership in social services. Through the Administrations of Roosevelt, Truman, Eisenhower, Kennedy and Johnson, we have had it to a greater or lesser degree. Now we have nowhere to look as the current Administration concerns itself with immediate budgetary gains and fails to look at the ultimate predictable impact.

As a last point let me raise the issue of services to the aged. Here the problem is more directly related to Congressional action which specified that 90% of services to the aged must be provided to *current* welfare recipients. In New York City we serve the bulk of our ambulatory aged in day care centers for senior citizens. There we provide a program that offers a sense of belonging, social support and counseling, and at least one hot meal a day. The elderly who attend are proud and self-supporting to the greatest possible degree. They live the best they can on social security and small pension benefits and although eligible for welfare assistance often refuse to apply. These are people who have worked all their lives, paid taxes and helped build our country. Many of these are the Irish, the Poles, the Jews, the Italians, the Germans and other Europeans who came here to toil and to escape tyranny. There are over 200,000 of these elderly in New York City whose income does not exceed the poverty level of $1,757 for a single person per year or $2,215 for a couple. Of the 200,000 less than 40% are current public assistance recipients. These people will cease to use our services if they have to pass the means test mandated in the regulations. Some of them will, and indeed do, starve rather than disclose how poor they are. The elimination of group eligibility means that we cannot serve them if we insist on federal participation, or we can serve them and not claim any federal participation. Rather than not serve that population we have decided on the latter.

Gentlemen, the only redress lies in Congressional action. Congress must move to limit the authority of the Secretary of Health, Education, and Welfare to impose by regulation certain additional restrictions upon the availability and use of Federal funds authorized for social services under the public assistance programs established by the Social Security Act.

I am suggesting legislation which at the least would provide for the following:

1. The authority of any State to define the categories of classes of individuals who are eligible to receive social services;

2. The authority of any State to include as social services comprehensive services for children, the elderly and disabled (including such programs for mentally retarded children and adults);

3. The authority of any State to submit a plan to the Secretary of HEW which will specify the procedure for redetermination of eligibility within a time frame not to exceed six months following July 1, 1973;

4. The authority of any State to submit for consideration to the Secretary of HEW a plan for group eligibility determination if such a request is based on valid program considerations;

5. The responsibility of HEW to provide de-facto substantive technical assistance to all States to promote and insure sound and efficient systems of accountability and program delivery so that social service expenditures are geared to removal from welfare rolls and maintenance on job rolls in AFDC categories and maintenance in the community instead of institutions in the DAB categories.

Thank you gentlemen for this opportunity to speak. I and those on whose behalf I appear here can do nothing else. We leave it in your hands.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. NUNN). Is there further morning business? If not, morning business is concluded.

EXECUTIVE SESSION

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to executive business, for the consideration of the nomination of William L. Springer, of Illinois, to be a member of the Federal Power Commission.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, it was my previous understanding that the Senate would probably not get to a discussion of the nomination of Mr. Springer until about 1:15 or 1:30 p.m. today.

Proceeding on that assumption, I have suggested to the distinguished Senator from Arkansas (Mr. FULBRIGHT) that he could take some time at this point for the delivery of a speech which is not germane, of course, to this nomination. He has come to the floor on the strength of my assurance and I, therefore, ask unanimous consent, having discussed it with the distinguished Senator from New Hampshire (Mr. COTTON) that——

Mr. COTTON. Mr. President, may I interject here to say that I am very glad to have the distinguished Senator from Arkansas (Mr. FULBRIGHT) go right ahead with his speech. We have other Senators coming, who may want to be here, and I am, therefore, more than happy to have the Senator speak now.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. He is most accommodating, and cooperative, as he always is.

Mr. President, I ask unanimous consent that the distinguished Senator from Arkansas (Mr. FULBRIGHT) may be permitted to proceed out of order at this time, as in legislative session, for not to exceed 25 minutes.

Mr. COTTON. Mr. President, will the Senator yield me ½ minute?

Mr. FULBRIGHT. Certainly.

The PRESIDING OFFICER. Is the Senator from New Hampshire objecting?

Mr. COTTON. No, no.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. COTTON. Mr. President, I should just like to ask unanimous consent that, when we get to consideration of the Springer nomination, the minority counsel of the Commerce Committee, Arthur Pankopf, be allowed the privilege of the floor.

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

OIL AND THE MIDDLE EAST

Mr. FULBRIGHT. Mr. President, underlying much of the current anxiety over the energy problem is the apprehension that an increasing American reliance on the Arab oil-producing States must lead inevitably to the erosion of our commitment to the State of Israel. Corollary to that is a widespread prejudice against Arabs as volatile people who might at any time turn off the oil spigot to punish us for our support of Israel. And in back of the Arabs, it is feared, are the Russians, waiting to pounce at the moment of opportunity upon the Western "jugular" in the Persian Gulf.

We are confronted therefore, with three sets of relationships, all involving the legitimate interests of the United States—our relations with Israel, with the Arab States, and with the Soviet Union. The question is whether and how these three sets of relationships, with all the conflicts they entail, can nonetheless be balanced in a manner consistent with our overall national interests. I believe that they can.

As matters stand, many Arabs, stirred by the unhappy and ever more desperate Palestinians, are becoming increasingly embittered toward the United States: Witness the accusations—almost certainly unfounded but not implausible from the Arab standpoint—of American collusion in the recent Israeli commando raid in Beirut. The Egyptian Government in particular is known to feel that it has been responsive to moves toward peace, particularly those advanced in 1971 by the United Nations mediator, Dr. Jarring, and that the United States, instead of responding to Egypt's concessions, has actually encouraged Israel in her intransigence by providing a steady and generous supply of arms and money. The question for our foreign policy is whether Arab hostility to the United States is inevitable, the result of a genuine conflict of interests, or the result of an American policy which is faulty and unbalanced in terms of our own national interests.

The issue turns on what exactly our interests are in the Middle East. We have a strong emotional interest in Israel and, as I said in a speech in 1970, I accept the validity of that interest and would go so far as to base a military commitment upon it. But we have other interests in the Middle East as well: An economic interest in Arab oil, at least for the next decade or so, and a strategic interest in the avoidance of conflict with the Soviet Union, both of which interests are undercut by our present policy. All of our interests, on the other hand—emotional, economic, and strategic—could be served by a policy of bringing about a political settlement of the Arab-Israeli dispute, if necessary by providing strong incentives for a settlement.

The Arabs, I suspect, would welcome an "imposed" solution, although they do not say so, and the Israelis could learn to live with one if it were a solution which made fair and reasonable provision for their security. As I have said before, I would support an American bilateral treaty of guarantee with Israel on two conditions: First, that such a treaty was accompanied by an identical multilateral one by the great powers acting through the United Nations, although the American guarantee could apply even if the United Nations one should fail; second, that Israel withdraw from most, though not necessarily all, of the territories occupied in 1967, as called for in Security Council Resolution 242 of November 1967, and as called for by the apparently moribund Rogers plan. Given a determination to settle, variations of the Rogers proposal more acceptable to Israel—and to Egypt—might well be developed.

While providing firm treaty guarantees to Israel, the United Nations—including the United States—could not in fairness do any less for the Arab States. All the States of the region are entitled to guarantees of their borders, and the provision of such guarantees would be in keeping with the long-declared though not the actual policy of the United States. The unanimously adopted Security Council Resolution of November 1967 emphasized the "inadmissibility of the acquisition of territory by war" and also affirmed the "necessity" for "guaranteeing the territorial inviolability and political independence of every State in the area." Going back even to 1950, the United States joined with Britain and France in a Tripartite Declaration of their "unalterable opposition to the use of force or threat of force between any of the States in that area." The declaration went on to assert that if either Israel or the Arab States were found to be preparing to violate frontiers or armistice lines, the three governments would "immediately take action, both within and outside the United Nations, to prevent such violation." As an executive agreement, the 1950 declaration cannot be considered binding under the U.S. Constitution, and it has in fact been ignored by our policymakers for other reasons. Its principle, however, remains valid. I, therefore, recommend that in conjunction with a general settlement of the Middle East conflict—including the critical question of the Palestinians—the great powers, including the United States, and working through the United Nations, provide binding treaty guarantees to uphold and implement the principles spelled out in the 1950 declaration and in the Security Council Resolution of 1967.

How can a general settlement be brought about? The history of attempted mediation between Israel and the Arab States, by Dr. Jarring and others, provides little basis for hope that there can be any resolution which is not imposed by outsiders. Modern liberal thinking quite naturally is biased in the direction of voluntarism, but the obvious preferability of free choice should not blind us to the fact that it is not always feasible, nor to the fact that imposed solutions have been known to be successful. The 19th century Concert of Europe imposed many solutions which turned out to be viable, and sometimes equitable as well, such as the separation of Belgium from Holland in the 1830's. The Treaty of Versailles, I have always thought, was a reasonably fair settlement, at least in its territorial terms, which failed not because it was imposed in 1919 but because it was not subsequently enforced. The United Nations Charter has a formalized and codified procedure for peace enforcement, which is to say, for solutions imposed by the Security Council, and every member of the organization, by its own freely given consent, is bound—by article 25—"to accept and carry out the decisions of the Security Council." The great advance of the charter over the old Concert of Europe is that it would carry the process of peace enforcement beyond raw force exercised by the great powers to a semblance of international action through due process of law. In this

respect, an imposed solution in the Middle East would represent an advance in the tortuous process of civilizing international relations. Obviously, a United Nations-imposed solution must be considered a last resort, but as a last resort, I believe that it should be considered, perhaps after a period of, say, 6 months, in which the two sides would be given one last chance to settle on their own.

Neither a voluntary nor an imposed solution is likely to come about in the foreseeable future, owing primarily to the refusal of the U.S. administration, backed by heavy congressional majorities, to modify its commitment to the present policy of Israel. The likelihood, therefore, is for a continuation for the time being of the status quo, which I am fairly certain all parties will come in time to regret. The Arab States, including those which are now conservative, are likely to be radicalized as their grievances fester. Israel, already a garrison state, faces the prospect of mounting terrorism, which no amount of counter-terrorism is likely to suppress or even to stem. The industrial countries, especially the United States, may expect mounting threats to their rapidly increasing oil requirements by radicalized Arab regimes. We may come, therefore, full circle, to the fulfillment of those very apprehensions of a grave threat to our oil supply of which we have lately been hearing so much. The question is whether the crisis can still be avoided, whether the prophecy, is fulfilled, will have been a self-fulfilling one.

In this destabilized political situation the energy crisis continues to grow. With no spare productive capacity of its own, the United States must rely increasingly on oil imports from the Arab Middle East, where at least 300 billion of the 500 billion barrels of proven world oil reserves are located. We can, of course, seek to avoid reliance on Arab oil by spending billions on a crash program for the development of alternate energy sources—energy from nuclear fission and fusion, oil extracted from shale, gas extracted from coal, and solar and thermal energy. In the long term we are going to have to develop these energy sources anyway, since the world's supply of oil is limited. By the end of this century even the vast reserves of the Middle East will be depleted, and oil will probably have lost its predominance as a fuel. The question now is not whether we need to develop alternate sources—we surely do—but whether we need to do so on a crash basis, at extravagant cost, and whether we need to write off the oil of the Arab States prematurely, for extraneous political reasons.

At present, there is virtually no danger of a general boycott, especially on the part of Saudi Arabia, by far the largest producer with by far the largest reserves of any country. But even King Faisal, who hates and fears communism, and who still regards the United States as his kingdom's friend and mainstay, repeatedly warns that the pro-Israeli policy of the United States will eventually bring disaster to America's friends ir. an increasingly radicalized Arab world. In this respect there is some accuracy in the prognosis of collapse and revolution in the oil-producing countries of the Arab world. The question is whether it is not our own policies which are driving America's Arab friends toward radicalization and revolution. And even if our policies do not lead to upheaval in the oil-producing states, they could well lead to a selective boycott of the United States, coupled with the establishment of exclusive political and business arrangements with Europe and Japan.

There is another, more ominous possible scenario for the years just ahead. Recognizing that even a crash program for the development of alternate energy sources is likely to require so great a lead-time as to leave us heavily dependent for a decade or more on large oil imports, our present policymakers and policy-influencers may come to the conclusion that military action is required to secure the oil resources of the Middle East, to secure our exposed "jugular." One detects something less than advocacy but more than simple apprehension in warnings that the great wealth now accruing to the oil-producing states of the Persian Gulf may somehow pass into the hands of stronger powers.

There is no question of our ability forcibly to take over the oil-producing states of the Middle East. They are militarily insignificant, constituting what the geopoliticans used to call a "power vacuum." We might not even have to do it ourselves, with militarily potent surrogates available in the region. The Shah of Iran is known to aspire to a "protecting" role for the Gulf region. A visiting Israeli scholar professes apprehension that his government may move to "solve" the energy problems for the United States by taking over Kuwait, there being no force in the desert between Israel and the Persian Gulf capable of resisting the Israeli Army. There have also been ominous talks—one assumes unfounded—of a possible Israeli strikes against Libya comparable to the recent reprehensible raid in Beirut.

I am expressing apprehensions: I am most definitely not making predictions. I would like nothing better than to have them denied and repudiated by all concerned. In the meantime, I take the liberty of advising the Arab States not to underestimate the power and determination of the forces which may coalesce against them.

The Arabs themselves bear a share of the responsibility both for the energy crisis and for the political impasse with Israel. As to the former, the OPEC countries would be wise to show restraint in continuing to push up the price of oil, and would also be wise to reassure the oil-consuming countries against the danger of boycott. The Saudi Arabian Minister of Petroleum Affairs, Ahmed Zaki Al-Yamani, is reported to have said:

> We are in a position to dictate prices, and we are going to be very rich.

Saudi Arabia is indeed going to be rich, but the Persian Gulf countries would be well-advised not to press too hard and to treat their oil wealth as a kind of global trust, if for no other reason than for their own protection. The meat of the gazelle may be succulent indeed, but the wise gazelle does not boast of it to lions.

In the political field, the Arab States would benefit from the healthy dose of realism. The concessions they have offered to Israel—recognition of her right to exist and access to international waterways—might have been gratefully received before the 1967 war, but are not acceptable now, either to the Israelis or to their formidable backer and ally. A little less concern with justice and rather more with reality would serve the Arabs well at this juncture of their affairs. They have lost a war, and we have not yet reached that level of civilized behavior in international affairs at which nations can expect to escape without cost from military defeat. The Arabs must recognize not only their own limitations but those as well of their friends abroad, including the small minority in the U.S. Congress who, as matters now stand, would be as powerless politically to prevent coercive action against the Arab States as the Arabs are militarily to resist it.

Events need not come to so drastic a denouement. The OPEC countries thus far have been reasonably moderate and responsible, and there remains in the Arab world, despite everything, a remarkable reservoir of good will toward the United States. But as the mounting desperation of the Palestinians shows, that reservoir is fast being drained. To the Arabs, the United States seems not only hostile but gratuitously and irrationally so. In terms of our own national interests, I am bound to agree. In the service of a profound emotional commitment to Israel, we have all but kicked over the traces on our other interests in the Middle East—an economic interest in oil, a strategic interest in peace, and a perfectly ordinary human interest in the friendship of peoples who, whatever their quarrel with Israel, have never done anything to harm the United States.

Mr. President, on May 30 and 31, the Committee on Foreign Relations will initiate hearings on the implications of the energy problem for our foreign relations. We expect at that time to hear testimony by both academic and Government witnesses. The details of these hearings will be announced in the near future.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Bernard Weinraub, published in the New York Times of May 20, 1973, which has come to my attention since preparing the statement. It gives background as to one of the significant developments now taking place in one of the countries on the Persian Gulf.

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

UNITED STATES QUIETLY SENDING TROOPS TO AID IN IRAN

(By Bernard Weinraub)

TEHERAN, IRAN, May 17—The United States, cultivating strategic ties in Iran, has begun a quiet influx of military personnel in this pivotal nation.

By the summer, nearly 600 servicemen and their families are expected to arrive here in connection with a $2-billion United States-Iranian arms agreement signed in the last year. It was believed to be one of the biggest

arms agreements ever arranged by the United States Defense Department.

At least 300 civilian personnel are also due here, largely to train Iranian pilots and mechanics in the use and repair of helicopters.

In addition, there are now about 500—and possibly more—soldiers, sailors and marines here. This includes about 250 servicemen attached to the official military assistance group aiding the Iranian Army.

The others, considered in a support position for the military mission, are working at the army post office, handling cargo from arriving Air Force planes and serving in maintenance jobs.

The over-all number of American military personnel here, which is expected to total more than 1,100, makes it one of the largest armed forces assistance missions in Asia. The mission's scope is emphasized by the presence of three American generals based here to work with the Iranian Army.

"FIELD ADVISORY TEAMS"

The chief of the United States Army mission to the Iranian armed forces is Maj. Gen. Ellis W. Williamson, who meeets periodically with senior Iranian officers as well as Shah Mohammed Riza Pahlevi. The chiefs of the Air Force and Army sections are Brig. Gens. Walter Druen Jr. and Brig. Gen. Leo E. Soucek.

Although the United States mission operates under some secrecy, it is known to be divided into a series of "field advisory teams" that advise the Iranian infantry outside Teheran, the capital, as well as the navy in the Khurramshahr and Abadan area near the Persian Gulf.

Another team, called the gendarmerie mission, advises the rural police force, which is responsible for about 80 percent of the country.

The American commitment and interest here is made plain by the unusually large embassy staff—some officials say that it is now larger than the embassy in New Delhi—and President Nixon's appointment three months ago of Richard Helms, former Director of Central Intelligence, as Ambassador.

IMPORTANT TO THE UNITED STATES

Officials at the embassy, in a pleasant, leafy quarter near downtown Teheran, make it clear that Iran has emerged as the bulwark of American support in a crucial, turbulent area. Iran's importance to the United States is twofold.

First, Iran is the second largest oil producer in the Persian Gulf, after Saudi Arabia, yielding about 5.8 million barrels a day. At present the gulf provides 10 per cent of America's oil. Within seven years, officials say, about 25 per cent of the oil for the United States will be shipped from the gulf.

Second, Iran is strategically crucial, bounded by the Soviet Union and the Caspian Sea in the north, Turkey and Iraq in the west, Afghanistan and Pakistan in the east, and the Persian Gulf in the south.

"Just look at that," said an embassy official, pointing to the wall map in his office. "There's not too much going for us in this part of the world except Iran. It's an area of tremendous strategic significance, and happily our interests coincide."

The Shah's decision to order $2-billion in military equipment from the United States clearly delighted the Americans here, who say that the British, Germans, French and Russians were competing for some of the defense contracts.

MILITARY KNOWLEDGE PRAISED

"He wants the latest stuff and he thinks the United States has got the best," said one knowledgeable source. "Whether he needs it or not is his decision. His military knowledge is extraordinary and he knows what he wants."

The $2-billion in contracts, to be spread over five years, includes more than 700 helicopters and, as one official put it, "most everything short of atomic weapons."

It is unclear why the Shah is spending huge sums to build up his armed forces, especially in view of Iran's pressing social problems.

Officials here give numerous reasons: for defense measures; the Shah's strong wish to serve as the dominant power in the Persian Gulf; persistent fears of the hostile regime in neighboring Iraq; rumors that the Soviet Union is encouraging Iraqi and Pakistani tribesmen to spur unrest in Iran, and fears that the Arab guerrilla movement will spill over into Iran, which seeks to maintain quiet ties to Israel.

Moreover, the Shah has indicated that as long as Iran remains powerful—and builds up her defenses—other nations will maintain a wary distance and respect his strength.

Most of the 600 United States servicemen are expected to arrive in July and August to start training the army in the new weapons. Officials here say that the Shah has agreed to pay the cost of the American enlisted men and officers as part of the recent defense agreements.

The Americans "should be out of here in a few years," said one senior official. "That's the theory at least."

Although figures are uncertain, Iran's regular forces are said to total 180,000. Nearly 11,000 officers and enlisted men have received military training in the United States.

THE MIDDLE EAST AND THE ENERGY CRISIS

Mr. JACKSON. Mr. President, with the deepening dependence of the United States on imported petroleum has come an increasing awareness of the risks to our national security and the stability of our national economy. In the short space of 3 years we have seen the press coverage of the energy crisis move from the obituary page to the financial page to headlines on the front page. The closing of gas stations around the country, the prospect of severe summer shortages, and the readying of plans to ration gasoline on a nationwide basis have brought home to the American people the sense of a problem without an easy solution.

It was, I suppose, inevitable, therefore, that we would begin to hear the argument advanced that the solution to our energy problems—and they are many and complex—lies in imposing on the Arab-Israeli dispute a "settlement" that would make more precarious the situation of our friends in order to court and appease those Arab nations for whom blackmail and sanctuary for terrorists serve as foreign policy. Senator FULBRIGHT's conclusion that we must, in order to assure an adequate supply of energy, deliver the future stability of the Middle East into the hands of the Security Council of the United Nations is, in my view, based on a dangerously oversimplified appreciation of both the nature of our energy deficiency and of the politics of the Middle East and the Persian Gulf, to say nothing of a most fanciful view of the power of the United Nations. When this view—which was properly laid to rest with the demise of the "Rogers plan" 2 years ago—is combined with a refusal to accept the urgency of developing alternative sources of energy as rapidly as possible—we have not only the proverbial ostrich, but a very confused one.

I, for one, believe that we must leave to the parties themselves the task of finding a solution to the Arab-Israeli dispute; and the crucial first step toward that objective is for the Arab States to agree to direct negotiations with Israel. The effort to exhume the Rogers plan, along with the implication that it might be imposed on Israel, can only encourage Egypt to continue its refusal to begin peace negotiations. It should not—and I am confident it will not—be taken seriously.

The principal problem with Senator FULBRIGHT's analysis of our energy problem is its principal assumption: That the threat to the continued delivery of Middle Eastern oil arises from our support for Israel.

The fact is, of course, that the principal threat to the oil producing countries of the Middle East and Persian Gulf is not Israel but, rather, the have-not Arab States: Iraq, Syria, Egypt, and Yemen. These Arab States, impoverished as they are and plagued by the most severe developmental problems, view the great riches of the oil-producing states as a potential solution to their economic development problems.

I would remind the chairman of the Foreign Relations Committee that it is not Israel—as he suggests—that threatens Kuwait—but Iraq which was, as late as last week, engaged in military activity that may have as its objective the eventual control of that oil rich sheikhdom. It is not Israel that threatens Saudi Arabia—but Yemen to the south, Soviet-supported Iraq and Syria to the north, and Egypt to the west. It is not Israel that is in Oman, but rather the stability of Oman is threatened by a smouldering insurgency backed by the Communist Chinese.

I believe that a strong Israel, like a strong Iran, is vital to America's interests in the Middle East and the Persian Gulf. But I think it important to add that America would face problems in the energy area even if Israel did not exist. After all, the Middle East today is a region of great internal instabilities, rapid political upheavals and chronic conflict and tension. One day the Soviets are in Egypt in force and the next day they are almost out. Governments come and go in Syria; Hussein's Jordan is under constant attack; the Sudan has engaged in a genocidal war against its black population; Yemen is torn by civil war only momentarily resolved; the Saudis fear everyone; Kuwait wonders whether she can long survive as an independent entity and Iraq and Iran wonder who will inherit Kuwait's vast oil reserves if she does not. Libya today is ruled by a highly unpredictable regime holding billions of dollars in U.S. currency, ample supplies of which go to finance terrorist activity around the world. Mr. President, alongside this mere sketch of the instability that is everywhere in the Middle East our support for the state of Israel pales into insignificance as a source of uncertainty in the future delivery of Arab oil to the United States.

Mr. President, such stability as now obtains in the Middle East is, in my view, largely the result of the strength and Western orientation of Israel on the Mediterranean and Iran on the Persian

Gulf. These two countries, reliable friends of the United States, together with Saudi Arabia, have served to inhibit and contain those irresponsible and radical elements in certain Arab States—such as Syria, Libya, Lebanon, and Iraq—who, were they free to do so, would pose a grave threat indeed to our principal sources of petroleum in the Persian Gulf. Among the many anomolies of the Middle East must surely be counted the extent to which Saudi Arabia and the sheikhdoms—from which, along with Iran, most of our imported oil will flow in the years ahead—will depend for regional stability on the ability of Israel to help provide an environment in which moderate regimes in Lebanon and Jordan can survive and in which Syria can be contained. Iran, without whose protective weight Kuwait would almost certainly fall to Iraq, plays a similar and even more direct role in the gulf itself.

Last November I traveled to Israel, Iran, and Saudi Arabia. In numerous discussions with leaders of these three countries I was repeatedly impressed with the remarkable extent to which their separate fates are associated—with the extent to which they constitute a sometimes ironic, even paradoxical bloc of nations whose security, so important to the United States, unites them in a set of common interests. In the case of the relationship between Israel and Iran there exists a quiet, cooperative relationship that reflects a common concern with and an effort to contain the forces of instability in the region. The relationship among Israel, Iran, and Saudi Arabia is more complex and, here especially, surface impressions can be misleading. While neither Israelis nor Saudis are in a position to acknowledge the degree to which they have interests in common, the many issues on which they have a shared perspective—despite those on which they differ—have about them a compelling logic that would lead an outside observer to that very conclusion. It is perhaps worth noting that the tapline that carries great quantities of Saudi oil to Western users passes through Israeli-held Golan Heights and, over that portion of its length, it has never been successfully sabotaged. Moreover, the Saudis, whose enormous wealth makes them a target for any number of forces, would not last long without a stable Jordan, a more or less calm Egypt, and a contained Syria and Iraq. The Saudis understand this very well and they also understand—better than many Americans who take their protective rhetoric at face value—that Israel and Iran play a vital stabilizing role with respect to the foreign relations of these countries.

It is in this context, Mr. President, that I could not allow to pass without comment the most unfortunate suggestion of the chairman of the Foreign Relations Committee that Iran and Israel might, in the years just ahead serve as militarily potent surrogates acting militarily to secure the oil resources of the Middle East. Arab apprehensions are even now a major source of instability in the Middle East. For the chairman of the Foreign Relations Committee to hint that the Arab States "may somehow pass into the hands" of America's Middle Eastern allies, acting as our surrogates, is utterly irresponsible. I am amazed that Senator FULBRIGHT would describe fantastic Arab accusations of American collusion in the recent Israeli commando raid in Beirut as "almost certainly unfounded," and would lend credence to the eccentric "apprehensions" of an unnamed Israeli scholar by repeating his view that Israel may invade Kuwait.

Mr. President, the chairman of the Foreign Relations Committee believes that we would not need to develop alternative sources of energy on a crash basis if we did not "write off the oil of the Arab States prematurely, for extraneous political reasons." His remarks today leave us in no doubt as to what these "extraneous political reasons" are: They are, in Senator FULBRIGHT's view, our support for a strong and free and independent Israel.

But even if Israel did not exist, even if the oil of the Middle East were guaranteed to be available to the United States, and even if we had some kind of insurance against upheavals that could interrupt the flow of Middle Eastern and gulf oil, it would be irresponsible to temporize the need to develop alternative sources of energy on a crash basis and to continue to sit idly by as our dependence on imported oil continues to increase.

First, the United States, with 6 percent of the world's population, presently uses over one-third of the world's energy and 47 percent of the world's raw materials. The growing need of the underdeveloped nations for a fair share of this finite resource to assist in their development and to improve their quality of life argues strongly for a vigorous energy research and development program which will benefit all people and all nations.

Second, oil is a depletable resource. This must be recognized before we adopt a policy of postponing or downplaying energy research and development while the United States, Europe and Japan drain the huge, but limited, oil reserves of the Persian Gulf. The most important future uses of petroleum may not be for energy purposes. The use of oil as a chemical feedstock or as a raw material base from which to manufacture food must also be considered.

Third, without the restraint and the price ceiling on the cost of Middle East oil which would result from our having alternative energy sources, we will almost certainly face rapidly increasing prices on crude oil that could, in a short time, lead to gasoline prices on the order of a dollar a gallon. We will also see the dollar holdings of a few Arab States, unable to absorb the vast quantities of capital that are accruing from their oil exports, reach proportions that could enable them to affect, perhaps in some cases even control, international economic conditions. By failing to act now to develop alternative sources of energy we are prolonging the period during which the availability of imported oil, the terms on which we obtain it if available, and the price we pay for it can be dictated by whoever at that point in time happens to be in control of a handful of Persian Gulf nations. We have already waited far too long to increase our options and to make a determined start on alleviating this increasingly critical situation.

Mr. President, the Senator from Arkansas has once again contrasted America's "emotional" interest in Israel with what he considers to be our "economic" interests in the Arab States of the Middle East. On the contrary, I believe that our economic and political and strategic interests are supported—and not "undercut"—by our close and cooperative relationship with Israel. But I wish also to say that I am proud that the American people recognize in Israel the kind of friend and ally that democratic nations everywhere must surely be drawn to. And if that injects a note of "emotion" into our foreign policy, it is one that represents the best in our traditional commitment to individual freedom.

QUORUM CALL

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

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

NOMINATION OF WILLIAM L. SPRINGER

The PRESIDING OFFICER. The Senate will now resume the consideration of the nomination of William L. Springer to be a member of the Federal Power Commission.

The clerk will state the nomination.

The legislative clerk read the nomination of William L. Springer, of Illinois, to be a member of the Federal Power Commission.

The Senate continued to consider the nomination.

Mr. PERCY. Mr. President, I ask unanimous consent that during the consideration of the nomination of Mr. Springer, Mr. Irish McRae be permitted the privilege of the floor.

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

Mr. MOSS. Mr. President, I understand we are under controlled time. Is that correct?

The PRESIDING OFFICER. Debate on this nomination will be limited to 2 hours, to be equally divided between and controlled by the Senator from Utah and the Senator from New Hampshire, after which there will be a yea-and-nay vote.

Mr. MOSS. I thank the chair.

Mr. President, I ask unanimous consent that Henry Lippek and Edward Merlis, of the Commerce Committee staff, have the privilege of the floor during the debate and vote on the nomination.

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

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

Mr. MOSS. I yield.

Mr. COTTON. Mr. President, I have already asked permission for Mr. Arthur

Pankopf have the privilege of the floor. I make the same request for Mr. Malcolm Sterrett of the committee staff to remain on the floor during consideration of this matter.

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

Mr. MOSS. Mr. President, today, we have before us a matter of great importance to the American people. For in the proceedings which we now commence concerning the question, "Does the Senate consent to the nomination of William L. Springer to be a member of the Federal Power Commission?" We have at stake the very fundamental question: Shall the Senate effectively discharge its duly constituted responsibility?

The Federal Power Commission has sunk to a low point today. Its current failure to balance its considerations is derogation of its authority. It is not the function of the FPC to aid producers, pipelines, and utilities to maximize profits. Rather, it is the function of the Federal Power Commission to fulfill the mission of the Federal Power Act and the Natural Gas Act. In that responsibility, the Commission is charged with evaluating the requests of the industries against the public interest.

William L. Springer is an able man. He has served his constituents well in 22 years in the House of Representatives. And no one can question his integrity and honesty. But William L. Springer in his 22 years as a Member of the House of Representatives has continually voted to remove the Federal Power Commission's power to regulate gas prices at the wellhead, in favor of private power companies and opposing public power interests, and against environmental and consumer legislation.

In view of this record, one might say that Mr. Springer can ably represent the industries which appear before the Federal Power Commission. But it is not the role of the FPC or the Commissioners to each represent a given constituency. And, even if it were, the Commission already has three members whose orientation reflects the very industries which it is called upon to regulate. It would seem that the President could find, out of the thousands of qualified Americans, a nominee whose background indicates an impartial or consumer orientation.

The Federal Power Commission was established with a strong statutory mandate in environmental and consumer protection. It regulates the wholesale price of electricity and natural gas and the construction of non-Federal hydroelectric projects and natural gas facilities. It has jurisdiction over industries whose gross revenues exceed $30 billion per year. The FPC is an important agency. It must meet the challenge of assuring adequate supplies of energy while protecting the environment and maintaining utility prices at the lowest reasonable levels. Mr. Springer, who has been very candid in his views, has demonstrated that he would side with the industries to be regulated.

In discussing Federal Power Commission's responsibility, President Franklin D. Roosevelt stated:

The regulating Commission, my friends, must be a tribune of the people, putting its engineering, its accounting and its legal resources into the breech for the purpose of getting the facts and doing justice to both the consumers and investors in public utilities. This means, when the duty is properly exercised, positive and active protections of the people against private greed.

The Federal Power Commission's jurisdiction was expanded in 1938 with the passage of the Natural Gas Act, conferring jurisdiction upon the Commission over the transportation of natural gas in interstate commerce and the sale in interstate commerce of natural gas for resale for ultimate public consumption. In numerous decisions, the Supreme Court has declared that the purpose of the Natural Gas Act is "to afford consumers a complete, permanent, and effective bond of protection from excessive rates and charges." [1]

The Court further stated in another case that "protection of consumers' exploitation at the hands of natural gas companies was the primary aim of the Natural Gas Act." [2]

Thus, the very fundamental regulatory responsibility of the Federal Power Commission; its very existence is based upon the serious marketing imperfections which preclude reliance upon the operation of the marketplace to protect the ultimate consumer from unreasonable rates. The Commission was established as a conservation and consumer protection agency with a strong statutory mandate in both areas. These functions continue to be of paramount importance today.

The Federal Power Commission must meet the challenge of assuring adequate supplies of energy, protecting the environment, and keeping utility prices at the lowest reasonable level. To achieve these goals the independent regulatory agency, like the Congress, must have balanced representation of many viewpoints. Such a body needs to reflect the diversity of opinion that cuts across the spectrum of viewpoints in the United States. But where Mr. Springer was one of 435 Members of the House of Representatives and was representative of his constituency, he would be one of five Commissioners of the FPC. And even if Mr. Springer reflected the viewpoint of one-fifth of the American people, he still should not serve on the Federal Power Commission for that the identical viewpoint is already espoused by the three existing members. Thus, should Mr. Springer be confirmed, four-fifths of the Federal Power Commission would reflect an opinion which is held by a very narrow special interest group, the industries regulated by the FPC.

Congress has vested in regulatory commissions the powers necessary to carry out broad statutory mandates. But congressional statements of policy are understandably general, leaving to Commissions the task of making specific policy to implement those objectives. Thus, the membership of the independent regulatory Commission is extremely important to carry out the congressional intent.

[1] Atlantic Refining Co., vs P.S.C. of New York, 360 US 378 (1959).

[2] F.P.C. vs Hope National Gas Co., 320 US 591 (1944).

The Federal Power Commission is currently made up of the following three Commissioners:

First. John N. Nassikas—Chairman Nassikas' professional background includes service as assistant attorney general of the State of New Hampshire from 1950–53 where he concentrated on public utility cases before the State Public Utility Commission in the New Hampshire State Supreme Court. From 1953–69, Mr. Nassikas was a senior and managing partner of the law firm of Wiggin, Nourie, Sundine, Nassikas & Pingry. Mr. Nassikas became best known as a lawyer for insurance, banking, and utility companies.

Within 2 months after he became chairman of the Federal Power Commission, the Wall Street Journal—certainly not a bastion of radical commentary—was commenting on Nassikas' "friendliness" toward the industry. Forbes magazine, in its November 1, 1969, issue stated "too good to last? It is hard to see how the troubled natural gas industry could have a regulator more to its taste than the new Chairman of the Federal Power Commission—he—sometimes sounds more like a natural gas executive expounding about how the FPC should regulate his industry than a man burdened with the actual responsibility of regulation."

And lest someone should comment that this was 3½ years ago, in the January 17, 1972, of the Nation, there appears the following statement:

Aside from the impressive rate increases, he has maneuvered through the FPC a dazzling array of other proindustry rulings: for giving nearly $400 million in overcharges; granting (for the first time in history) price increases for "old gas—gas that it is already flowing and whose production costs have already been written into the price contract—which is about the same as if General Motors were allowed to go back and raise the price of your car after you have been paying on it for a year.

Most significant of all, for the first time in history, the FPC has given rate increases not merely on the basis of cost of producing gas but as a matter of incentive. These are profits designed to encourage the industry to sell more of its product. When dealing in a necessary fuel, the potential for industrial blackmail obviously exists; and it is always possible that incentive pricing is no more than the payment of blackmail.

Senator COTTON stated at the March 19, 1973, hearing on the current nominee that—

Now they are all coming to my office and saying, "he (Chairman Nassikas), is too industry oriented."

Second. Commissioner Rush Moody is a Democrat appointed by President Nixon. Newspaper accounts reported that spokesmen for certain Texas oil and utility interests first sounded out Moody's law partner, Tom Sealy about accepting the appointment. Later Sealy received another inquiry from Hugh and William Liedke, chairman and president respectively of Penzoil United. This is a multibillion dollar conglomerate which owns among other things, United Gas Pipeline. It is regulated by the FPC. The Liedke's, therefore, were very interested in the composition of the Commission. Sealy not only was a personal friend, but his

law firm also handled legal work for Penzoil. He decided, however, that he did not want to go to Washington and suggested his law partner for the FPC vacancy. The Liedke's immediately began pulling strings inside the White House to get Moody appointed. Not surprisingly, since his appointment, Rush Moody has repeatedly stated in opinions and speeches that he doesn't favor FPC regulation of natural gas prices at the wellhead.

Third. Commissioner Albert B. Brook's views on the FPC generally parallel those of Commissioner Rush Moody.

At the hearings on the nominees, Congressmen GEORGE BROWN and CHARLES VANIK, of Ohio, both spoke in opposition to Congressman Springer. Additionally, Attorney Morton L. Simon and Erma Angevine, executive director of the Consumer Federation of America, agreed that the current Federal Power Commission is completely industry oriented. As Mr. Simon summarized in his testimony:

> The present Commission lacks even one vigorous consumer member . . . the Commission usually without the consent and frequently over the opposition of consumer representatives, has in recent years adopted the basic views of the ever higher prices urged by the regulated industry.

The witnesses indicated that the present Commissioners have made unmistakenly clear their beliefs that regulation of natural gas producers is undesirable and that regulation of pipelines should be liberalized so generously as to be nonregulation.

The effects have been imminently predictable—in a period over a little over 3 years the prices of interstate sales of gas have increased over 20 percent, or approximately $500 million per year. And pipeline rates have increased in the past 3 years at an approximate rate of $1.2 billion per year. In addition, the current Commission has shown an excessive hostility against the enforcement of antitrust laws and has opposed Justice Department enforcement of them.

Recently, the FPC allowed the Champlin Petroleum Co. to increase its rates of flowing gas sold to Mountain Fuel Supply in the Church Buttes area from 15 to 40 cents per million cubic feet.

This involves $987,500 per year in direct additional costs to Utah consumers. Through a gobbledygook construction of the Natural Gas Act, the FPC has permitted the producer, Champlin Petroleum Co., to increase rates by 267 percent on the price of flowing gas.

In justifying this untenable and inexcusable price increase, the Commission has arbitrarily and capriciously thrown aside reason, torn asunder the Natural Gas Act, and abrogated its responsibility.

As I indicated before, this kind of rate increase on the price of flowing gas is the same as an automobile dealer coming back to you 1 year after purchasing a car and demanding a 267-percent increase on your monthly payments.

The Commission contends that the 267-percent increase would raise the price to the "fair market value." Once again, I suggest that the public does not customarily pay greater prices on a time payment when the sales price of the item increases years after the original contract was signed.

Additionally, this assertion that the new price would be a "fair market value" price is absurd. For Mountain Fuel Supply Co. has available to it new gas in the same area which can be purchased at 50 percent the rate permitted by the FPC on the flowing gas. In other words, a new gas contract would be only a 25-percent increase, yet the old gas price has been allowed by the Commission to rise by 267 percent.

Past Federal Power Commissions have addressed the fundamental issue of whether or not there is adequate competition in the marketplace. The current Commission, evidently, does not care about competition.

This lack of competition, which the previous Commissions attempted to stifle, has been fostered by the current Commission. And the confirmation of William L. Springer to the Federal Power Commission will continue to foster this failure of enforcement.

Mr. President, during his 22 years in the House of Representatives, Mr. Springer supported removing from the Federal Power Commission the power to regulate the wellhead price of natural gas. He consistently voted to prefer the interest of private power companies to the interest of public power companies to the ultimate detriment of the energy consumer. The League of Conservation Voters, in its evaluation of Mr. Springer's environmental record in 1970, gave him a zero rating. The same organization in 1972 credited him with only 24 points out of 100 on the basis of those issues on which he voted during the 92d Congress. Senator TUNNEY, who knew Congressman Springer well when they both served in the House of Representatives has stated:

> I am opposing the nomination of Congressman Springer. Though Congressman Springer is clearly a man of ability, his 22 years in the Congress raises a serious question in my mind as to whether he could satisfactorily represent the interest of the consumer and the environment.

Congressman GEORGE E. BROWN has expressed his opposition to Mr. Springer. Congressman CHARLES VANIK has expressed his opposition to Mr. Springer as a member of the Federal Power Commission.

A primary purpose of the Federal Power Commission is to protect the consumer against exploitation. To perform this mission, the FPC needs at least one strong consumer spokesman. Chairman WARREN G. MAGNUSON stated last week in a newspaper interview that the nomination would leave the consumer interest totally unrepresented on the FPC. More importantly, our distinguished chairman suggested that there should be a 3-to-2 split between "the big boys and the consumer." The big boys already have their three; let us give the public a chance. The industry orientation of the Federal Power Commissioners would be further solidified with the confirmation of the nomination of William Springer.

Mr. President, it is urgent and critical that the Congress reject the nomination of William L. Springer to be a member of the Federal Power Commission. I intend to vote against his confirmation.

Mr. COTTON. Mr. President, I yield myself such time as may be necessary on this point.

I have listened with some degree of amazement to some of the statements made by my good friend and long-time colleague on the Committee on Commerce, the distinguished Senator from Utah (Mr. Moss).

The nominee, Mr. William Springer, is a practicing attorney by profession from the State of Illinois. He served as county judge in Champaign County, Ill., before being elected to Congress. He has been awarded honorary doctor of laws degrees from Millikin University in 1953; from Lincoln College in 1966; and from De Pauw University in 1972.

He was first elected to the 82d Congress, and in all, he was elected to eleven consecutive terms, serving 22 years in the Congress of the United States.

During 20 of those 22 years, he served on the Committee on Interstate and Foreign Commerce in the House of Representatives, which is the sister committee of the Committee on Commerce of the Senate, on which I am proud to serve as the senior Republican Member.

During the last 8 years, Mr. Springer served as the ranking minority member of the House Committee on Interstate and Foreign Commerce.

Mr. President, the 22d District of Illinois which Mr. Springer represented had a population in 1970 which exceed 450,000 people, all of whom are "consumers."

An examination of Mr. Springer's district shows that it runs about 58 percent blue-collar and 42 percent white-collar.

Two universities are located in his district. One is the University of Illinois. It is one of the largest educational institutions in Illinois with several campuses. It is estimated that the campus located in Representative Springer's district had a student population of around 35,000 and a correspondingly large faculty.

As I stated earlier, all the people in former Congressman Springer's district are consumers. But, you also will note, Mr. President, that many of the people in his district were blue-collar—labor—consumers. Furthermore, with the two universities—the University of Illinois and Millikin University—he had large academic communities as part of his district. Such academic communities are usually thoroughly alert—I do not say they are necessarily extremely liberal—to the interests of the people and of the consumers.

In all but 1 of his last 10 elections, former Congressman Springer received approximately 60 percent or better of the votes cast in his district. The single exception was in 1964 during the so-called "Johnson landslide," in which he received 53 percent of the votes.

The following is a table showing the percentage of the votes former Congressman Springer received in the large and populous district which he represented in his last 10 elections, after which he retired of his own desire:

	Percentage of vote
83d Congress	63.0
84th Congress	62.0
85th Congress	62.3
86th Congress	60.5
87th Congress	61.4

88th Congress	59.7
89th Congress	53.0
90th Congress	65.2
91st Congress	64.3
92d Congress	60.9

During the 8 years that he was senior Republican member of the full Committee on Interstate and Foreign Commerce, we on the Senate Commerce Committee frequently were in conference with he and his fellow House committee members. Therefore, I, as the ranking minority member of our Commerce Committee, through the years came to know him well. I doubt if even the three members out of the 18 of our committee who have registered dissenting views on his pending nomination, including my good friend from Utah (Mr. Moss), would for one single moment question Mr. Springer's complete integrity and complete desire to be fair.

When we come to talk about his being not sufficiently "consumer-minded" to suit the high standards that my respected colleagues appear to demand, let me invite their attention to one or two things.

The Senator from Utah (Mr. Moss) has just talked about the distinguished chairman of our committee, the Senator from Washington (Mr. MAGNUSON), and his apprehension about having a balanced Federal Power Commission, that it should be at least 3 to 2 weighted towards the consumer, according to what I understood the Senator from Utah (Mr. Moss) to say.

Let me invite attention to the fact that on Thursday, May 17, Senator MAGNUSON announced that he would not be able to be in attendance on Monday, May 21, during consideration of Mr. Springer's nomination for family reasons, and then he noted the following—and this is the chairman of the Senate Committee on Commerce:

I desire to announce publicly now, as chairman of the Committee on Commerce and the one who held hearings, that I wish to be recorded in favor of Mr. Springer's nomination.

Whatever the apprehensions of the distinguished chairman of the Commerce Committee about the general composition of the Federal Power Commission, he certainly endorses in clear and clean-cut language his support of Mr. Springer. Senator MAGNUSON said, in the course of colloquy in the committee, within my hearing, and on many occasions in committees of conference, where he had occasion to argue with Mr. Springer on various points, that he respected his ability, his integrity, his fairness and that he considered him entirely competent and fit to serve on the Federal Power Commission.

The Honorable HARLEY O. STAGGERS, a Democrat and chairman of the House Committee on Interstate and Foreign Commerce, who represents the Second District in West Virginia, appeared at the committee hearing on Mr. Springer's nomination, on March 19. He took pains to come over and appear before us in person. Chairman STAGGERS spoke in support of Mr. Springer's nomination to the Federal Power Commission in the following manner—and this is Chairman STAGGERS of the House committee who served for many years with former Congressman Springer:

There are few men you can just wholeheartedly endorse as being men of true worth and men who have the Nation's business at heart and their fellow man. I can wholeheartedly endorse Bill Springer as being this type of man.

Then continues Mr. STAGGERS, chairman of the House Committee on Interstate and Foreign Commerce, himself the author of much progressive consumer legislation:

Many pieces of legislation, great landmark pieces of legislation, would not be on the books of this Nation today if it had not been for the help and cooperation of Bill Springer. * * *

I am happy to add my few words to those already said and the others I know that will be coming. I know Bill would do his very best to do a good job for America on the FPC, and he will do it without partisanship.

Bill Springer served that way on the House Interstate and Foreign Commerce Committee. What was good for America was what he wanted to do.

So you can gather that I wholeheartedly endorse Bill for the position. * * *

In the following colloquy, I asked this question of Chairman STAGGERS:

Senator COTTON. I only have two questions. You yourself, Mr. Chairman, enjoy an enviable reputation for your fairness to not only the business, but your solicitude for the consumer. Do you feel that Judge Springer would also have that same solicitude—fairness for all and solicitude for the consumer?

Mr. STAGGERS. If he did not, he would have to change dramatically from the 22 years I have known him, because that has been his record for those 22 years.

When we speak of his record, to hear the remarks of the opposition, one would think that he had a record of servitude to business and antagonism to the consumer. Here is some of the specific consumer legislation supported by Mr. Springer. He collaborated on many of these bills and cosponsored some of them.

One, the National Traffic and Motor Vehicle Safety Act of 1966, Public Law 89–563.

Two, Cigarette Labeling and Advertising Act, for which the Senator from Utah (Mr. Moss) labored long and hard and deserves great credit. Bill Springer was with him on it in the House. That is Public Law 89–92.

Three, the Fair Packaging and Labeling Act, Public Law 89–755.

Four, the Radiation Control for Health and Safety Act of 1968, Public Law 90–602.

Five, the National Commission on Product Safety, Public Law 90–146.

Six, to authorize a DOT study of motor vehicle accidents, Public Law 90–313.

Seven, Flammable Fabrics Act amendments, Public Law 90–189.

Eight, Child Protection and Toy Safety Act of 1969, Public Law 91–113.

Nine, National Commission on Product Safety extension, Public Law 91–51.

Ten, the Cigarette Labeling and Advertising Act—the second Act—Public Law 91–222.

Eleven, traffic safety authorization, Public Law 91–265.

Twelve, poison prevention packaging, Public Law 91–601.

Thirteen, auto damage repairability, Public Law 92–513.

Fourteen, flammable fabrics (1-year extension), Public Law 92–542.

Fifteen, traffic safety authorization, Public Law 92–548.

Sixteen, Consumer Product Safety Act, Public Law 92–573, and

Seventeen, Noise Control Act, Public Law 93–574.

Mr. President, it has been a long time since I have heard spirited opposition to a colleague with whom we have served being appointed to a commission—not because we have a particular esprit de corps of stick-together because we have served in Congress, but because we know the men with whom we have served. Certainly, we know the men with whom we serve in this body; and even though some of us have been out of the House many years, we certainly know the members of our sister committees in that body.

I am frank to say that I never expected, knowing Bill Springer as I know him, that there would be any opposition to his nomination. In my opinion, one need only look him in the eye and listen to his voice to recognize his complete sincerity and dedication.

In addition to what Chairman STAGGERS said, the Honorable JOHN D. DINGELL, the well-known and very able Democratic Representative from the 16th District of Michigan, the fifth-ranking Democrat on the full House Committee on Interstate and Foreign Commerce, and chairman of the Subcommittee on Fisheries and Wildlife Conservation and Environment of the Committee on Merchant Marine and Fisheries, also took pains to appear in person before our committee when we had the hearings on Mr. Springer's nomination. This, in part, is what he said:

Mr. Chairman, I have served in the House of Representatives with William Springer for 17 years. He is a man of integrity, a man of genuine ability, a man of real concern and dedication to the public interest. I recommend him for the position for which he has been nominated without reservation or hesitation.

Congressman DINGELL is, I believe, a well-known and highly respected progressive Democrat in the House of Representatives. I think that is a just description.

Mr. DINGELL continued as follows:

In the Committee on Interstate and Foreign Commerce, on which he and I have served for over 16 years, he always demonstrated a rare degree of ability, a high level of courage, and as I have indicated, a real concern for the public interest. He and I have had many differences over the years on matters of philosophy and when he is confirmed—and I do not say were he to be confirmed—but when he is confirmed, I am satisfied that he and I will continue to have differences, but the differences we will have will not relate to whether or not he is trying to serve the public interest.

His acts will be honest, sincere acts, based upon the best judgment he can make. He is able and, as I have indicated, he is honest. I am satisfied that the FPC will be well served by his membership and that he will add a measure of responsibility and good orientation to that agency. * * *

In addition, the Honorable PAUL A. ROGERS, the Democratic Representative from the Ninth Congressional District of Florida, the sixth-ranking Democrat on the Committee on Interstate and Foreign Commerce in the House, and chairman of its Subcommittee on Public Health and Environment, testified in person as follows.

It is a pleasure to be here to urge the confirmation of William Springer.

I think it is a very fortunate appointment, and I would certainly support him wholeheartedly, and I think by far the vast majority of the Members of the House, having known Bill Springer for 22 years of service in that body, in which he sat on the Interstate and Foreign Commerce Committee, as I am sure most of you are well aware, we found there that he was a man of great knowledge, had an ability to immediately evaluate things and get to the point of the crucial issues of the day.

But I think perhaps the most important thing, and I think this committee would be concerned with it, is not only his ability but his integrity, and I know of no one who has ever questioned the integrity of Bill Springer. I consider him to be an outstanding appointee, and I would certainly urge this committee to give its confirmation and recommendation to the Senate for his position as an FPC Commissioner.

Also, Mr. President, by respective letters dated May 18 to Senator MAGNUSON, chairman of our Committee on Commerce, the nomination of Mr. Springer to the Federal Power Commission was endorsed by Congressman JAMES HARVEY and Congressman JOE SKUBITZ. I further understand these and several other letters supporting Mr. Spinger's nomination may be offered in for the record at a later point.

Mr. SCOTT of Virginia. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. SCOTT of Virginia. I thank the Senator for yielding. I apologize for interrupting the distinguished Senator, but I have to go to a meeting of the Committee on Armed Services.

Mr. President, I have known Bill Springer for some time, and served with him in the House for three terms. He was the ranking Republican member on the Interstate and Foreign Commerce Committee during that time and we became well acquainted. I do not believe there was a fairer man serving in Congress during this period of time, than Bill Springer. In my opinion he is entirely competent. I believe he will be fair and impartial in the administration of his duties as a member of the Federal Power Commission. I endorse and recommend him wholeheartedly to my colleagues in the Senate. I hope his nomination will be overwhelmingly confirmed.

I thank the Senator for yielding.

Mr. COTTON. I thank the Senator for his remarks. He knows whereof he speaks, having served with Mr. Springer.

Now, Mr. President, I hasten to finish.

Senators HART, Moss, and TUNNEY in separate views have expressed opposition to Mr. Springer's nomination but even these opponents have acknowledged that—

It may indeed seem unfair to "blow the whistle" on these two men, when so many with similar backgrounds have been approved. * * *

In connection with "blowing the whistle," or more appropriately, suddenly altering the criteria by which the Senate is to pass judgment upon the qualification of nominees, I cannot resist a personal word.

Perhaps the test is going to be changed. But, in all of my 19 years in the Senate, where we vote on confirmations, it has been my understanding all through these years—and I know it has been the understanding of many if not most of my colleagues—that when a President of the United States sends to the Senate a nomination for consideration and confirmation by the Senate, the Senate does not accept or reject that nominee on the basis of whether Members of the Senate agree with the particular philosophy of that nominee. In my years in the Senate, Mr. President, I have voted for the confirmation of every nomination to the Supreme Court. And, up until Mr. Nixon became President, these were the men for whom I voted: John M. Harlan, William J. Brennan, Jr., Potter Stewart, Byron R. White, Arthur J. Goldberg, Abe Fortas, and Thurgood Marshall.

Justice Potter Stewart might be considered as something of a conservative.

I do take pleasure in saying that Justice Byron R. White has happily surprised me. I thought he would be very liberal. But I think he has been one of the fairest and best balanced justices we have had on the bench.

But I did cast my vote—with the possible exception of Justice Potter Stewart—convinced that every one of these men represented a political philosophy that was not in keeping with mine. Certainly, if I had been President, I probably would not have nominated them. They were nominated by President Johnson and his predecessors. I felt it was up to me to examine their competency and their integrity. And, there my duty and privilege stopped.

I think it would be a rather sad day if we inaugurated the custom suggested—at least hinted at—by my good friend from Utah (Mr. Moss) of starting, not necessarily a party division, one of trying to balance the philosophy of the members of such regulatory commissions.

I cannot resist calling attention to the fact that the Senator from Utah (Mr. Moss) quoted me in regard to the Chairman of the Federal Power Commission, the Honorable John Nassikas, whom I have known for many, many years as one of the leading lawyers from my own State of New Hampshire.

The Senator from Utah (Mr. Moss), I believe, quoted me as saying that "He was confirmed, and now, everyone is coming to my office and saying he is too industry-oriented." But, in doing so, it was taken out of context.

What I said was as follows:

Senator COTTON. On that point I would like to comment on the question of when a man goes on a commission, whether he is going to be swayed by his previous legal connections, and those whom he has represented in private practice.

In particular, I am hearing the Chairman of the Federal Power Commission being criticized greatly for being industry oriented. I feel very strongly that this is not true. I know the man. I know that his great concern is the energy crisis. But, if you are going to pick a man on the basis of his previous experience, then Chairman Nassikas, who comes from my State, and whom I have known for many years throughout his entire experience before he was appointed, was anti-industry.

As assistant attorney general of the State of New Hampshire, Chairman Nassikas fought the utilities when they sought to increase prices. Later, he was designated by the Governor as special counsel to represent the State in opposing the utilities in the State. As a result, when his name was up for confirmation, I found people coming to my office connected with utilities and with others in the industry, who were very apprehensive about him.

He was confirmed, and now, everyone is coming to my office and saying he is too industry-oriented.

Thus, after his confirmation, there were those who claimed that he was too industry-minded. That goes to show that we cannot judge a man by his previous experience, in regard to his clients, or in regard to the question as to whether he is related to a judicial or a quasi-judicial position.

Now, two other Democratic Congressmen did appear before the Committee on Commerce on March 19 to testify on the nomination of Mr. Springer and of Mr. Morris, of California, to be members of the Federal Power Commission.

The first was Representative GEORGE E. BROWN, JR., of the 29th District of California, who testified in opposition to both Mr. Springer and Mr. Morris. He serves at present on the Committee on Agriculture and the Committee on Science and Astronautics, not the Committee on Interstate and Foreign Commerce on which Mr. Springer served.

The second was Congressman CHARLES A. VANIK, a Democrat representing the 22d District of Ohio, who, since the 84th Congress has served 10 consecutive terms and now serves on the House Committee on Ways and Means.

Mr. VANIK was referred to in the separate views of 3 of the 18 members of the Commerce Committee who wrote those views as being opposed to Mr. Springer's nomination. Perhaps he is. But, from his testimony, I would not gather that he testified in heated opposition, based upon the following exchange with Senator TUNNEY:

Senator TUNNEY. Thank you, Mr. Chairman.

As I understand your testimony, Congressman, you are opposing both nominees?

Mr. VANIK. No. My statement is primarily directed to Mr. Morris. I cannot tell this committee anything about my colleague, Mr. Springer, which they do not know—his work is on the record. I have disagreed with him on many of his legislative positions, but we have a 22-year track record on Mr. Springer in the Congress, and I think it is an entirely different situation.

Senator TUNNEY. I see. So you are——

Mr. VANIK. A consumer-oriented appointment is needed. *I am not opposing Mr. Springer, but I am opposing the appointment of Mr. Morris.*" (Emphasis supplied)

Now, I have already covered Mr. Springer's distinguished legislative record. Let me close by covering one more point, and I will give my friend from Illinois (Mr. PERCY) a chance to speak.

The only vote of any consequence which the opponents of Mr. Springer are raising today has to do with his vote of July 28, 1955.

It was inferred or at least insinuated by the Senator from Utah (Mr. Moss) that there were other votes on this same issue. I have not personally been able to find any. The only vote I have knowledge of was on July 28, 1955, on H.R. 6645 of the 84th Congress, with reference to deregulation of gas at the wellhead.

Now, does this mean that anyone who casts a vote for deregulation today would be unfit to sit on the Federal Power Commission?

Let us see whom Mr. Springer was in company with on that vote. His vote was identical with that of the then Speaker of the House, the late Sam Rayburn, the distinguished present Speaker of the House, Mr. ALBERT; the late, great majority leader of the House, Hale Boggs; and when the Senate voted on February 6, 1956, the present distinguished majority leader in the Senate, Senator MANSFIELD, when he had first entered the Senate; the dean of the Senate, Senator Hayden; and two of the great Senators from Arkansas—the distinguished present chairman of the Senate Appropriations Committee, Senator MCCLELLAN, and the great chairman of the Committee on Foreign Relations, Senator FULBRIGHT. Incidentally, the bill was called the "Harris-Fulbright bill."

Is the distinguished former Congressman from Illinois, Mr. Springer, whose vote was the same as all of these present leaders of the House and Senate, thereby unfit to be a member of the Federal Power Commission, or subject to the allegation that he "sold out" to the oil and gas interests?

It would appear to me that Mr. Springer was in distinguished company when he cast his vote on that bill. It is exceedingly dangerous to attack a man because of a vote which was over 15 years ago. I would assume that everybody would vote his convictions on such a matter. I am sure that Mr. Springer, as well as all of the other distinguished members I have mentioned, cast their votes on their conscience and certainly should not now be attacked as serving any particular interests. They merely believed on the date which they cast their vote that they were right. I doubt whether any Senator here today can say that those votes were made on other than the basis of the evidence at hand, and what they believed to be the best interest of their country.

Mr. President, I regret the time that I have taken, but this is an important matter. It is a matter on which I started by saying, and which I will end by saying, is rather shocking to me. When one has served year after year, and has sat in conferences between the House and the Senate for many years with a man whose very personality radiates sincerity and dedication—I do not maintain he is always right, but I maintain he is one of the most conscientious legislators that I have been privileged to know in all my years in the Congress—without casting any doubt on their sincerity, I am shocked that three out of the eighteen members of our Commerce Committee saw fit to oppose Bill Springer's nomination. I think he is honest. I think he is fair. I know that as a Federal Power Commissioner he will use his influence and his vote, for what he honestly considers to be in the best interests of all our people.

I yield to the Senator from Illinois.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has until 2:56.

Mr. COTTON. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, if there are no more speakers on this side, I would like to ask that I be yielded the remainder of the time, unless there are concluding comments to be made by the Senator from New Hampshire.

Mr. COTTON. I do not have any. The other side may have some time to yield to the Senator.

Mr. PERCY. I think the remaining time is quite adequate for my purposes.

Mr. President, I have listened to the words of my distinguished colleague from New Hampshire. I am pleased that the distinguished Senator from Utah and the distinguished Senator from Michigan are on the floor. I feel that they have performed through the years a tremendous service to the consumer. There are no two Senators who have, with greater diligence, pursued the interests of the American consumer and looked to the public interest in what they have done in their work; and I think they would also recognize that, as one of the three principal authors of the consumer protection agency, I have long taken the position that the reason that we needed such an agency is that many times regulatory bodies and regulatory agencies are established and industry will move in to try to get their man on that agency.

There will be others on those bodies who, by the very nature of the pattern of the voting in which they may have engaged or the interests they have been looking at, are far more interested in protecting the position of the producer than that of the consumer.

In fact, I had been in business a quarter of a century, and I always maintained, as a businessman, that we were not a producer economy and we should not seek to solve our problems by something which makes life easier for the producer; that we were a consumer economy. And that is why through the years I came to the Congress and appeared before the Finance Committee of the Senate and the Ways and Means Committee of the House for two decades testifying against my own industry many times when they tried to get protective legislation, legislation not designed to protect consumers at all, but to make life easier for those of us who produced goods.

So, I speak with considerable feeling about appointments to regulatory bodies. I view with grave suspicion anyone who goes on such bodies to represent, not the consumer interests, but the public interest.

For that reason I have been a strong opponent of such nominations because I do not feel on the whole that some of the regulatory bodies protect the interests of the consumers as they should be protected. Second, I have no great reverence for appointments sent down by the White House. I respect the fact that they have done the best job they could. However, I know that those appointments are made by human beings and that sometimes they make mistakes.

I have had to cast some very strong, but sometimes difficult, votes against nominations sent down from the White House, including Supreme Court appointments and other appointments.

I look upon that duty as quite important. We are a separate branch of the Government, and we have a coequal responsibility for sharing responsibility on all of these appointments.

So my pattern of voting negatively on such appointments as Carswell in the past has been enough to establish the fact that I do not try to rubberstamp the appointments. I have looked upon this as a duty to act responsibly and not as a mandate to rubberstamp whatever appointments are sent down by the White House.

The very fact that I authored a bill to require certain officers to be confirmed by the Senate, which bill has been vetoed and will be coming up for a vote on overriding the veto, stresses the fact that I believe our confirmation authority is very important.

The Senator from Illinois has taken a position against certain appointments sent down from the State of Illinois. I have done everything I could to ward off appointments that I have had to vote against on the floor of the Senate when I did not agree with those appointments.

However, with respect to the present nomination, I not only would have done nothing to stop it, but I would have done everything to encourage it. I feel that the Senator from Illinois can speak with some personal knowledge because I have known Mr. William Springer, who has been a Member of the Congress for 22 years, for several decades. I believe that my personal relationship with Mr. Springer goes back farther than my relationship with any other Member of the Congress from the Illinois congressional delegation.

It is for that reason that I speak on behalf of his nomination this afternoon. I believe that he will be a good member of the Federal Power Commission. I believe that we have to have to have on that Commission at this particular time in our country men of great competence, men of knowledge and experience in the field of energy. We are going to have some of the most difficult problems in this field down the line, problems that we will have to solve. There will be many more problems than there will be in any other field I know of. I feel that to have a man of experience and competence acting in that capacity on this Commission is extremely important.

Mr. President, we also need men of integrity. And no one has impugned the integrity of Mr. Springer that I know of. Mr. Springer is a man of the utmost integrity, and the integrity with which he has served a vital congressional district in the State of Illinois for 22 years is

evidence of the fact that his constituents in one of the most diverse communities in Illinois—rich in farming, rich in industry, and one of the largest communities in education in the State—believed in his integrity. We have a great State university at Champaign—Urbana. We have a great university in Decatur, Millikin University, in the southern part of his district. This indicates the broad-based support for Bill Springer that exists in his congressional district and has existed over the years in that congressional district.

The fact that Bill Springer underwent the scrutiny that every Congressman must undergo would be indicated by the mandate he has received year after year after year. He has served the best interests of his constituents for a long, long period of time.

He has been a valued colleague from the State of Illinois. The Senator from Illinois has frequently gone to Mr. Springer for advice and counsel in the fields in which he is an expert. And I have always felt him to be a man of the utmost professionalism and integrity. He has exhibited these qualities in the 22 years of service in the House of Representative.

Prior to coming to the House of Representatives, Bill Springer was a distinguished attorney in Illinois. He served as a county judge in Champaign County, Ill., in 1945. He served honorably in that position until his election to the U.S. Congress in January 1951.

The very fact that he has won the respect of Members of the House of Representatives with whom he has served is borne out by communications which I will later ask unanimous consent to have put in the RECORD.

From August 1964 until his retirement last year, Bill Springer was the ranking Republican member of the Interstate and Foreign Commerce Committee. In that position, he became a leading congressional expert in the field of transportation, energy resources, health, and many other areas. His name has been associated with many major pieces of legislation, and the respect which both the Members of Congress and his constituents have for him is demonstrated quite clearly by the fact that the Congress has named the lake formed by the Oakley Dam in Illinois after him. Springer Lake will always be a reminder to all those who visit it of the service and dedication of Bill Springer.

Mr. President, at this time, I ask unanimous consent to have printed in the RECORD a number of letters which have been written by some of Bill Springer's House colleagues who highly recommend his nomination as a member of the FPC.

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

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

HON. WARREN MAGNUSON,
Chairman, Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you may know, during the past week one of our colleagues on the House side distributed a letter which amounted to an attack on our former House colleague, William L. Springer, who is currently a nominee for a seat on the Federal Power Commission.

Everyone who has bothered to listen to debate and explanation of complex legislation over the past few years is aware that the gentleman from Illinois, Mr. Springer, was definitely one of the most able and fair-minded members in the entire House of Representatives. For one of our colleagues to suggest that Mr. Springer would not be bound by fairness, wisdom and integrity over and above any other consideration is to us totally incomprehensible.

Anyone who has worked on the committee or in the Congress with Mr. Springer through the years knows that he is the kind of person needed to help overcome the difficult energy problems which we face today. For this reason we want to assure you of our strong support of Bill Springer for the Federal Power Commission.

Dan Kuykendall, Tom Railsback,* John Y. McCollister, Clarence J. Brown, Samuel L. Devine, Ancher Nelsen, James Harvey, Tim Lee Carter, Richard G. Shoup, Bill Frenzel, James F. Hastings, G. V. Montgomery, Norman F. Lent, James T. Broyhill, Barry M. Goldwater, Jr.

* This signature was affixed by a Member of Congressman Railsback's staff in the Congressman's absence. The Congressman previously expressed an interest in supporting Congressman Springer's nomination but did not personally have the opportunity to see this letter.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. May 17, 1973.

The Honorable WARREN MAGNUSON,
Chairman, Senate Commerce Committee, Old Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the Senate is planning to consider the nomination on Monday, May 21, of my former colleague from Illinois, William L. Springer, as a member of the Federal Power Commission.

During my entire period of more than ten years of service in the Congress, I have been intimately acquainted on a personal basis, as well as in an official capacity with Bill Springer.

Congressman Springer brought to his work in the House of Representatives his valuable talents as a conscientious and skillful attorney. In his service on the House Interstate and Foreign Commerce Committee, where he served more recently as a ranking minority Member, he demonstrated a talent for getting at the basic truth of important legislative issues and elaborating upon them in a most effective and constructive manner in the Committee, and in his presentations on the Floor of the House of Representatives.

I should add that with very few exceptions, Congressman Springer presented legislative issues in a thoroughly bi-partisan manner. This was especially important when the House was dealing with issues relative to human health and safety, as well as subjects of communcations, and similar far-reaching public issues which, of course, are quite distinct from partisan considerations.

From the standpoint of individual excellence of ability, integrity and temperament, there is certainly no person whom I would deem better qualified for service on the Federal Power Commission. I hope indeed that the Senate will favorably consider Congressman Springer's nomination when it is brought to the Floor next Monday.

Sincerely yours,

ROBERT MCCLORY,
Member of Congress.

WASHINGTON, D.C.
May 17, 1973.

HON. CHARLES H. PERCY,
Dirksen Office Building, Washington, D.C.

DEAR CHUCK: I have noted that the Senate on Monday will consider the nomination of William L. Springer to be a member of the Federal Power Commission.

Having known Bill Springer a relatively short time, while you had the privilege of serving with him for many years in the Illinois Congressional delegation, I would not ordinarily presume to write to you on the matter of his confirmation.

However, one of my House colleagues, Representative George E. Brown, Jr., has circulated a letter asking other Members to join him in requesting the Senate Commerce Committee to reconsider and reject Bill's nomination. I was pleased to learn that despite this plea the nomination has since been reported favorably by the Chairman of the Committee, Senator Magnuson.

Bill's 22 years of service in the House of Representatives, capped by his able minority leadership of the Committee on Interstate and Foreign Commerce over a period of more than eight years, reflected credit on our party and our State of Illinois.

I hope that you will not only vote to confirm Bill's nomination but also will speak and work in his behalf.

I cannot believe that very many House Members associated themselves with Congressman Brown's effort. If the Constitution allowed the House to participate in the confirmation process, I am convinced that Bill would be confirmed by overwhelming majorities on both sides of the aisle.

Nevertheless, I felt compelled by the circumstance of Congressman Brown's letter to put myself on record with both you and Senator Stevenson in full support of the President's nomination of Bill Springer. He was a great Congressman and will be a great commissioner of the Federal Power Commission.

Sincerely,

GEORGE M. O'BRIEN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 21, 1973.

HON. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I urge Senate confirmation of former Congressman William L. Springer's appointment to the Federal Power Commission. I have known and worked with Bill Springer during all of the 16 years that I have served on the House Interstate and Foreign Commerce Committee. He has been an able Congressman whose advice and leadership have meant much to me during that period of time. He is an outstanding American and I know nothing derogatory about him. I believe sincerely that Bill can be trusted in any position of responsibility in which he may be placed. He has served honorably and with dedication in the United States Congress, and I am certain that he would continue that same level of service as a Member of the Feedral Power Commission.

Sincerely,

JOHN JARMAN,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1973.

DEAR MR. CHAIRMAN: The Commerce Committee is about to make an important decision on a nomination to the Federal Power Commission. I feel that I would be remiss in my concern for sound government and effective and decent administration if I did

not take this opportunity to endorse without reservation the nomination of my erstwhile colleague, William Springer of Illinois.

Mr. Springer was, as I am sure you know, the ranking minority member of the House Committee on Interstate and Foreign Commerce, on which I have the honor to serve. In that sense, he was my "leader" on the Committee. It should be emphasized, I believe, that in that capacity his decisions on legislative matters were never taken on a political partisan basis. Our decisions, through that leadership, were uniformly made on a merit basis, i.e., what was good for the people.

This point is underlined, if I may so suggest, by the testimony offered in his behalf to your Committees by three Democratic stalwarts of our Committee—Chairman Harley Staggers and Messrs. John Dingell and Paul Rogers. Mr. Springer was a conscientious, active and hard-working member of our Commerce Committee and I have no doubt that he will be the same kind of competent FPC Commissioner. His character and integrity are unimpeachable.

I trust you and your colleagues will consider this letter in the spirit that it is written—an effort to secure able and devoted public servants on our independent agencies whose background and training and experience insures that they will not forget that the agency on which they serve is truly an independent arm of Congress.

Respectfully and Sincerely,

JOE SKUBITZ.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1973.

The Honorable WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: I want to strongly recommend the nomination of Bill Springer to the Federal Power Commission. He will make one of the most able Commissioners on the FPC.

Bill Springer has been a colleague of mine since my first term in Congress. He served with me on the House Commerce Committee where he worked closely with the majority leadership as the ranking minority member of the Committee.

It was in this capacity that he earned his reputation as a hard working, effective leader. He had the ability to view each issue with an open mind and make decisions only after the most serious and careful analysis. Whether it was on the Floor or in sub-committee or in committee, the influences of his leadership were felt. Putting aside partisan feeling as the ranking minority member, he was able to work effectively with the Chairman of the Interstate and Foreign Commerce Committee, Congressman Harley Staggers.

I understand that Mr. Staggers as well as Congressman Paul Rodgers and John Dingell have all expressed their support for the nomination of Bill Springer before your committee. It is recommendations such as these that give the best indication of the bipartisan-across-the-political-spectrum support for the confirmation of Bill Springer.

I urge your committee, Mr. Chairman, to confirm William L. Springer on the basis of his faithful and meritorious service to this country in the United States House of Representatives and with the knowledge that his attributes will enhance the effectiveness and the stature of the Federal Power Commission.

Yours sincerely,

JAMES M. COLLINS,
Member of Congress.

Mr. PERCY. Mr. President, some questions have been raised about this nomination centered around the lack of a definite consumer representative on the FPC. Though no one has questioned the integrity or the ability of Bill Springer, opposition has been heard because some do not consider him a consumer representative. First of all, Mr. President, let me state that I yield to no one in my advocacy of consumer interests in the Senate. I have fought many long battles on the floor of the Senate and in committee—along with my colleagues, the Senator from Michigan, the Senator from Utah, the Senator from New York, and the Senator from Connecticut—to give the consumer representative in the Federal Government.

I know of some of the opposition we have had to the Consumer Protection Agency bill. I know what it is to be frustrated in our efforts to have the consumer interests paramount. However, I will not be deterred from carrying on this fight for the consumer in the future. Nor do I feel that the confirmation of the nomination of Bill Springer will in any way impede our progress in carrying out the consumer and public interest.

I am confident that Bill Springer will fairly and fully represent the interests of the consumers on the Federal Power Commission, as well as the public interest.

I have personally discussed this matter with him, and I have received his assurance that he would always keep the interest of the consumer paramount.

Mr. President, I would like to read a statement that Mr. Springer has given to me in this respect. Mr. Springer said:

I have, in my 22 years in the House, served the "public interest." On the Federal Power Commission my duty will be to serve the "public interest and only the public interest." The courts have interpreted the "public interest" to include all parties to any matter before the Commission—including all consumers—and there are often more than one class of consumers. The purpose of the enactment of the FPC was to be sure that the consumer received gas or electric service at the lowest possible cost consistent with an adequate supply. There is no one except the Commission who can protect the consumer—that is the Commission's job—and as a Commissioner I expect to carry out that duty fully and fairly under the provisions of the law and the court decisions pursuant thereto.

Mr. President, I have discussed with Mr. Springer my own deep concern about regulatory agencies that too frequently become representatives of the industry they are supposed to regulate. I could enumerate the number of instances in which this has happened.

Mr. Springer is well aware of my deep concern in this regard, and I have his absolute guarantee and assurance that his appointment would be consistent with protecting the public interest against whatever vested interests there may be, or special or private interests that would not be consistent with the general welfare and good.

There is no question that the FPC needs men and women who will have as their first concern the interest of the consumer. Perhaps the President could have nominated a person whose identification with consumer affairs was more well known. Certainly there is a need for such individuals to serve on all of our regulatory agencies. However, the Congress has given to the President the responsibility to nominate those individuals he believes best suited to serve on the Federal Power Commission. Exercising that function, the President has nominated William Springer. Even those who oppose the nomination have acknowledged his integrity.

The chairman of the Commerce Committee, Senator MAGNUSON, has stated that:

The President has the right to select nominees to regulatory agencies of his own choosing so long as there is no evidence of unfitness, moral flaws, or conflicts of interests.

Bill Springer is not disqualified for any of these reasons. In fact, no one doubts that he is indeed qualified to serve as a member of the FPC. The only question that has been raised is that it might have been better if the President had nominated someone else. But the fact remains that the President has nominated Bill Springer, not someone else. He is qualified and he is supported by those who know him best, his colleagues in the Congress. I am pleased to be able to speak on behalf of Bill Springer's nomination, and I urge my colleagues to vote to confirm his nomination as a member of the Federal Power Commission.

Before closing, Mr. President, I would like to take up just one negative point that has been mentioned in connection with a vote cast by Mr. Springer in 1956 on the amendments to the National Gas Act. The President vetoed the bill after Senator CASE of South Dakota stated that there had been a major private interest offer made to him. That was a reprehensive and contemptible action which Senator CASE promptly and properly brought before the public and the Congress of the United States; but I feel that to go back to one vote by one individual 15 years ago and say that is a basis for rejecting his nomination today would be grossly unfair—an unfairness that I feel certain none of my colleagues would wish to participate in.

I believe it should be noted that the vote cast by Mr. Springer in that case—and I am not taking any position on the bill itself or its merits, because I was not in Congress at the time and did not have the opportunity to debate it—but I take particular note of the fact that the distinguished Speaker of the House of Representatives, Mr. ALBERT, voted exactly as Mr. Springer did. The late great majority leader of the House, Hale Boggs, and the present distinguished majority leader of the Senate (Mr. MANSFIELD), when he first entered the Senate, apparently voted identically. The dean of the Senate, Mr. Hayden, cast his vote the same way, and the chairman of our Foreign Relations Committee, Senator FULBRIGHT, voted identically.

The bill was called the Harris-Fulbright bill. The distinguished former Representative from Illinois was in company with all of these present leaders in the House of Representatives and the Senate, and an unusual procedure, as I recall, was followed where the Speaker of the House of Representatives, Mr. Rayburn, took the floor to speak in behalf

of the bill and then cast his vote in favor of the bill, as Mr. Springer did.

Whether he cast his vote rightly or wrongly, Mr. Springer was in such distinguished company when he did cast that vote that I feel Mr. Springer can stand on that record, as he has stood on his record for 20 years, without apology or concern to anyone.

It is therefore with great pleasure that I support this nomination, and I do so based on two decades of knowledge of the distinguished nominee, and my feelings that in the commitments he has personally given to the Senator from Illinois, that I have read into the RECORD, and that he has given to me verbally as well, he not only will be a very distinguished member of this Commission at a very crucial time in the energy crisis we face in this country, but will serve the public interest, by which we mean the interest of the consumers, and will not be there as just simply a representative of the producer.

Mr. President, I yield back the remainder of my time.

Mr. MOSS. Mr. President, I yield the Senator from Michigan such time as he may require.

Mr. HART. Mr. President, I shall be very brief. The statements that were filed by the several Senators who are opposing this nomination when it came out of the committee reflect basically the concern which I continue to share, and which I hope will be reflected in the vote soon to occur.

Perhaps the only additional point I should make, having listened to the debate, is that, as in so many areas, Congress and more specifically the Senate is subject to criticism for a loss of sight, over the years, as to the purpose for which we established these commissions.

The commissions, if I may risk oversimplification, are ours. We have concluded that certain regulatory activities have gotten to a point where, on a day-to-day basis, Congress itself is inept and ill-equipped to make decisions. So we create a commission, and in this case we called it the Power Commission. In substance, we say to them, "Gentlemen" or "Ladies and gentlemen, you do for us what we like to think we would do if we had your skill and the time to give attention to the problems that confront you."

Somehow or other, with the passage of time, we have come to think of these things as, yes, quasilegislative, but also quasiexecutive and quasijudicial. Somewhere in the course of time there has been a slippage, and we tend now to look upon nominations to these commissions as we would look upon most Executive nominations.

As the Senator from Illinois said, is the man honest? Mr. Springer, we all know, is eminently honest. Does he have a conflict of interest? Not as far as I know. Is he intelligent? Clearly, yes.

"Let us confirm him, then. Do not inquire"—this theory would have it—"as to his philosophy."

To what extent will he in fact play the role that the Senate and Congress would play if we had not set up this independent agency? It is to this point that I would invite our attention. I think we do not have to claim that these agencies are exclusively accountable to Congress in order to claim that Congress should treat the appointment of these members as different from appointments to the President's Cabinet. We do not have to claim they are exclusively our agency out there. But I suggest it would be very difficult to argue that they were playing other than a principal role in discharging legislative action and decision.

There is a quality of the Executive about it, because they then undertake to apply the rules—which is another way of saying the laws—that they have been authorized to write. And there is a degree of the judicial and quasijudicial, in that some of them undertake to sit in judgment as to whether or not economic units subject to the regulations have complied with the rules that they have written. More than anything else, we are talking now about the staffing of one of our auxiliaries—one of Congress auxiliaries.

The Senator from New Hampshire is completely right that it is unfortunate some of us have finally reached the conclusion we should begin to regain the kind of control, if you will, that initially Congress intended to retain when it set up these separate legislative agencies in the first place. It is regrettable that a man so well and so favorably known to many of us, a man of great integrity, happens to be one of the first two nominees to come along after some of us have decided we should do more than inquire whether a nominee is just honest, intelligent, and has no conflict of interest.

I would hope, Mr. President, that whatever the outcome of this vote may be, it will mark the beginning of a new day; namely, one where we will find the Senate looking at the agencies and seeing in them what our predecessors intended to create when they established them—our arm, our agent, and how representative and how composite are they in their philosophies.

This suggestion I would urge be adopted in our consideration, from this day forward, of nominees to all the agencies.

Mr. President, it is with reluctance that I have concluded I must vote to oppose the confirmation of Mr. William L. Springer to be a member of the Federal Power Commission.

Originally the regulatory functions of the Federal Power Commission and the other independent regulatory agencies were performed by Congress. Because such regulation was complex and required a high degree of expertise, Congress performed these functions inadequately. Congress then delegated the performance of these specialized duties to newly created independent regulatory commissions. In carrying out such duties these agencies perform quasi-legislative functions.

But in order to perform their functions properly, the independent regulatory agencies, like the Congress, must have balanced representation of many viewpoints. Such bodies need a diversity of opinion that cuts across the spectrum of viewpoints in America. Several witnesses at the confirmation hearings for these nominees testified that the present Federal Power Commission lacks even one vigorous proconsumer member. Perhaps as a consequence, the Commission, usually without dissent and frequently over the opposition of consumer representatives, has in recent years adopted the basic views and the ever-higher prices urged by the regulated industries.

The Federal Power Commission was established in 1920 with a strong statutory mandate in environmental and consumer protection. It regulates the wholesale price of electricity and natural gas and the construction of non-Federal hydroelectric projects and natural gas facilities. As the Senator from Utah has noted, it has jurisdiction over industries whose gross revenues exceed $30 billion per year. In light of the environmental and energy difficulties facing the Nation today, the functions of the Federal Power Commission are of paramount importance. It must meet the challenge of assuring adequate supplies of energy while protecting the environment and maintaining utility prices at the lowest reasonable level.

Thus, the role of the Federal Power Commission is a very demanding one. The public is legitimately skeptical toward regulatory agencies whose important positions are assumed in the hands of persons from the industries to be regulated or by persons who have a past record that is not generally consumer oriented. Since the primary purpose of the Federal Power Commission is to protect the consumer, to perform this mission the FPC needs strong consumer spokesmen. The nominee does not appear to fulfill this role.

At committee hearings Chairman STAGGERS of the House Interstate and Foreign Commerce Committee and Congressmen PAUL ROGERS and JOHN DINGELL endorsed former Congressman Springer's nomination. On the other hand, four witnesses opposed Mr. Springer's nomination, including Congressman GEORGE E. BROWN, who extensively analyzed the voting record of Congressman Springer. During his 22 years in the House, Mr. Springer supported removing from the FPC the power to regulate the wellhead price of natural gas. He consistently voted to prefer the interest of private power companies to the interest of public power companies to the ultimate detriment of the energy consumer. The League of Conservation Voters in its evaluation of Mr. Springer's environmental record in 1970 have given him a zero rating. The same organization in 1972 credited him with only 24 points out of a possible 100 on the basis of environmental issues on which he voted during the 92d Congress.

It may indeed seem unfair to "blow the whistle" on two nominees to the FPC, when so many with similar backgrounds have been approved. But at some time the line must be drawn. In my view the time has come for Congress to scrutinize carefully regulatory commission nominations and reassert its duty to advise the President.

Mr. Springer is an able man whose integrity is clear, but a man with an industry orientation. In the midst of an energy and environmental crisis, it would be more appropriate for the President to appoint at least two FPC Commission-

ers out of five whose background indicates an impartial or consumer orientation.

Mr. MOSS. Mr. President, I intend to yield back the remainder of my time. I think what has been said illustrates the point that has to be made. As the Senator from Illinois reiterated several times, we are working into a period of time when the delivery of energy is of primary importance in this country and, consequently, the consumer at the other end of the line, who pays for all of the energy, is our greatest concern.

What has been said by my colleague from Michigan and others who have expressed their concern here today is that the Federal Power Commission will become totally populated by industry representatives and, therefore, will become unbalanced at a time when it should be at its greatest strength.

That is the sole basis on which I have risen to oppose the confirmation of Mr. Springer. I believe that was made eminently clear by others who have spoken here today and who have joined in dissenting heretofore.

Mr. President, the chairman of the Commerce Committee, Senator MAGNUSON, who could not be present today, requested that the following letters be printed in the RECORD of the Senate's consideration of the nomination of William L. Springer to be a Federal Power Commissioner.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD, as well as an informative statement of recent developments at the Federal Power Commission which is relevant to this discussion.

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

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 14, 1973.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to express my strong support for the nomination of my colleague, William L. Springer, for a position of membership with the Federal Power Commission.

Bill Springer has an outstanding record of knowledge and expertise in this area and this, coupled with an honest nature and an impartial outlook, makes him ideally suited for this position of trust and responsibility.

I respectfully urge your committee to approve the nomination of this able individual at the earliest possible date. His selection to this important post will prove a credit to the judgment of your honorable committee and to the House where he has so ably served.

Sincerely,

ROGER H. ZION,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 17, 1973.

Hon. WARREN MAGNUSON,
Chairman, Senate Commerce Committee, Old Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the Senate is planning to consider the nomination on Monday, May 21, of my former colleague from Illinois, William L. Springer, as a member of the Federal Power Commission.

During my entire period of more than ten years of service in the Congress, I have been intimately acquainted on a personal basis, as well as in an official capacity with Bill Springer.

Congressman Springer brought to his work in the House of Representatives his valuable talents as a conscientious and skillful attorney. In his service on the House Interstate and Foreign Commerce Committtee, where he served more recently as a ranking minority Member, he demonstrated a talent for getting at the basic truth of important legislative issues and elaborating upon them in a most effective and constructive manner in the Committee, and in his presentations on the Floor of the House of Representatives.

I should add that with very few exceptions, Congressman Springer presented legislative issues in a thoroughly bi-partisan manner. This was especially important when the House was dealing with issues relative to human health and safety, as well as subjects of communications, and similar far-reaching public issues which, of course, are quite distinct from partisan considerations.

From the standpoint of individual excellence of ability, integrity and temperament, there is certainly no person whom I would deem better qualified for service on the Federal Power Commission. I hope indeed that the Senate will favorably consider Congressman Springer's nomination when it is brought to the Floor next Monday.

Sincerely yours,

ROBERT MCCLORY,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1973.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am delighted to have this opportunity to present my wholehearted and fullest endorsement and recommendation in behalf of my former colleague and distinguished ranking minority member of the House Committee on Interstate and Foreign Commerce, the Honorable William L. Springer. In a word, he is an exceptional nominee for appointment to the Federal Power Commission now under consideration by the Senate Commerce Committee.

As one who has served with Bill Springer for 12 years in the United States House of Representatives and for over eight years on the Interstate and Foreign Commerce Committee, I know of no finer gentleman or a more capable one.

I think the stature and esteem held by so many of his former colleagues is best illustrated by the warm and strong support of his nomination to the Commission by personal testimony of his former Democrat members of the Interstate and Foreign Commerce Committee, Chairman Harley O. Staggers, Congressman Paul G. Rogers and Congressman John D. Dingel. I am honored to join with them in presenting the highest possible recommendation in Bill Springer's behalf.

I hope that you will see fit to include this special communication as part of the hearings of the Senate Commerce Committee on the nomination of Bill Springer to the Federal Power Commission. Thank you.

Sincerely,

JAMES HARVEY,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 18, 1973.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: The Commerce Committee is about to make an important decision on a nomination to the Federal Power Commission. I feel that I would be remiss in my concern for sound government and effective and decent administration if I did not take this opportunity to endorse without reservation the nomination of my erstwhile colleague William Springer of Illinois.

Mr. Springer was, as I am sure you know, the ranking minority member of the House Committee on Interstate and Foreign Commerce, on which I have the honor to serve. In that sense, he was my "leader" on the Committee. It should be emphasized, I believe, that in that capacity his decisions on legislative matters were never taken on a political partisan basis. Our decisions, through that leadership, were uniformly made on a merit basis, i.e., what was good for the people.

This point is underlined, if I may so suggest, by the testimony offered in his behalf to your Committees by three Democratic stalwarts of our Committee—Chairman Harley Staggers and Messrs. John Dingell and Paul Rogers. Mr. Springer was a conscientious, active and hard-working member of our Commerce Committee and I have no doubt that he will be the same kind of competent FPC Commissioner. His character and integrity are unimpeachable.

I trust you and your colleagues will consider this letter in the spirit that it is written—an effort to secure able and devoted public servants on our independent agencies whose background and training and experience insures that they will not forget that the agency on which they serve is truly an independent arm of Congress.

Respectfully and Sincerely,

JOE SKUBITZ.

FEDERAL POWER COMMISSION DEVELOPMENTS

(By Frank Frisk, Jr.)

In a panel session devoted to power supply matters it is difficult to choose the areas of Federal Power Commission activity which have the greatest impact on municipally-owned electric utilities. Power supply is really a question of making a choice. As far as FPC is concerned, by the time you are involved in a typical rate case it usually means the choice was made to purchase at wholesale from a private power company, instead of self-generation or a purchase from utilities which are not under Commission jurisdiction.

I would not like to spend the time today discussing rate matters alone. In many instances, struggling through a rate proceeding means the purchasing utility has no alternative. On the other hand, there are many current rate cases in which the question of alternatives has been pursued by publicly-owned utilities with some success at FPC.

The Commission's doorstep is presently loaded with power supply orphans. These are issues and legal rights which have found shelter at the Atomic Energy Commission under prelicensing antitrust review, and to some extent in the courts under the antitrust laws, as well as in proceedings before the Securities and Exchange Commission under the Public Utility Holding Company Act.

But, the legal historian a century from now is going to look in disbelief at the Federal Power Act and wonder why many power supply solutions available at the Commission have been so slow in arriving. Just consider what Congress provided in Section 202 (a) of the Act:

"For the purpose of assuring an abundant supply of electric energy throughout the United States with the greatest possible economy and with regard to the proper utilization and conservation of natural resources, the Commission is empowered and directed to divide the country into regional districts for the voluntary interconnection and coordination of facilities for the generation, transmission, and sale of electric energy . . . It shall be the duty of the Commission to promote and encourage such interconnection and coordination."

This essentially voluntary mandate was supplemented by the involuntary interconnection provisions of Section 202. Yet, it has not been the Federal Power Act that has been

giving the consumers of publicly-owned utilities an "abundant" supply of power at a fair price in recent years—it has been the Sherman Antitrust Act. That 1890 statute, and the principles of fair competition it embodies, is perhaps the most important legal tool available to publicly-owned electric utilities in 1973, and they have been raising it in many forums. Granted, there have been some successes at the FPC, as those few publicly-owned utilities which received rate decreases or an interconnection can confirm. But, we have a long way to go before the hopeful mandate of the Federal Power Act is a reality.

What about the future of the Federal Power Commission? Consider the words of Senator Warren G. Magnuson, chairman of the Senate Commerce Committee, as he commented on the recent nomination of Mr. Robert H. Morris to sit on the Commission:

"There have been dark periods in the history of FPC, and today again it has apparently adopted the views of the industries it was designed to regulate. It is not the function of the FPC to aid gas producers, pipelines and electric utilities to maximize profits regardless of costs to the consumer."

Dr. Morris, a San Francisco attorney, who spent fifteen years representing Standard Oil Company, brought dissenting views from Senators Hart of Michigan, Moss of Utah, and Hollings of South Carolina. Senators Hart, Moss, and Tunney of California also opposed the nomination of William L. Springer, a former congressman from Illinois, who according to committee witnesses, cast votes in favor of private utility positions, voted to remove FPC's power to regulate wellhead gas prices, and was against consumer legislation.

Publicly-owned utilities can only hope these nominees, if approved by the full Senate, will look to the future, not the past, and address the problems before the Commission with the consumer in mind.

RATE PROCEEDINGS

The biggest immediate consumer problem before the Commission is rates. In the last quarter of 1972 there were 660 new rate filings and changes pending, compared to 380 pending just three months earlier. In that quarter, FPC accepted for filing $35,872 in rate reductions, and $3,535,462 in rate increases. The proposed increases pending totaled $139,736,321, of which $134,272,959 had been suspended.

Not too long ago a slight increase in rates would raise the issue of just how much money should be expended in putting on a rate case at the Commission. With the magnitude of increases being what they are today, that question is easy to answer—hire the best lawyer and rate consultant you can find and fight. But how?

Consider the case of three cities in California (Anaheim, Banning and Riverside) which received a notice in March, 1971 of a $2 million annual wholesale rate increase. This could have been considered a "garden variety" rate case; but, these three cities looked at it in a much different perspective. They were all-requirements customers who decided to fight for power supply choices, and they attacked the filing both on its merits and on the theory that the contracts the Commission was asked to approve were but part of an attempt by the company to monopolize generation and transmission in violation of the antitrust laws and the Federal Power Act.

Anaheim, Banning, and Riverside exercised their "discovery" rights and searched the company files for evidence in support of their antitrust allegations. What they found is not known. What they settled the case for is well-known.[1]

220 kv transmission service, instead of 66 kv and lower.

A high voltage discount operable until November, 1977.

No new all-requirements rate filings until June, 1973, which they may oppose.

Combined dispatch of power, sharing of reserves, transmission service, purchase and sale of capacity or energy or other supplemental services as part of integrated operation between the cities and the company.

Partial requirements services.

Transmission service (220 kv) for power sources of the company or others.

Participation in new generating units.

Wheeling of lay-off power from the Navajo Project.

For starters, that is not too bad. But, in addition, they received the sum of $3,125,000 cash. Overall, the effect was a rate decrease for these three cities.

More importantly, they broke out of the all-requirements box and established full utility recognition for themselves. Imaginative—yes; Courageous—yes; Essential—yes; Trend-setting—no, as far as this Federal Power Commission seems to indicate.

Not too long ago a prominent politician remarked: "Watch what we do, not what we say." In a recent rate case involving the wholesale customers of Duke Power Company, the Commission stated: ". . . we are committed to the elimination of anticompetitive tariff provisions."[2] That bit of public relations was found in response to a petition for rehearing in the *Duke* case. What the FPC did was to turn aside the allegations of the municipal customers to the effect that (1) Duke's rates imposed an anticompetitive "price squeeze" on the wholesale customers, (2) Duke has engaged in activities in violation of the antitrust laws, and (3) Duke's rates should be set on an incremental basis, instead of fully allocated costs.[3]

From a ratemaking standpoint, the Commission in *Duke* virtually ignored the evidence presented and examined during hearings on the rate filing, all of which related to a 1969 test year. Instead, it adopted a "trending" policy to justify the increase. Form I filings made by the company after the proposed rates were filed, which were never subjected to scrutiny in the hearings, were the basis for this gift to the Duke Power Co.

At this time, however, the gift is on appeal, and the eventual outcome may also have an effect on the fate of rulemaking R–463, the ultimate bequest from a regulatory body which has ceased to function.

R–463 was issued by the Commission on December 14, 1972—just four days before *Duke* was decided. If adopted, it would turn FPC ratemaking upside down by adopting estimated future costs as the basis for setting reasonable rates—not actual costs, not costs which are known and measurable in the future, but estimated costs. We can't predict the future rate of inflation. We can't predict the future rate of economic growth. We can't even predict future population changes. But, according to the FPC, we can predict future costs to be incurred by private power companies.

APPA didn't think it could. An unprecedented number of Senators and Representatives let the FPC know they didn't think it was possible either.

APPA's comments to the Commission gave the reasons why this rulemaking will not stand the test of sound regulation:

There is no consensus of opinion on what methods could or should be used in forecasting a future "test period."

No attempt was made to set any standards for future cost predictions.

Even standard economic indices, such as the Bureau of Labor Statistic's Consumer Price Index and the Wholesale Price Index, from an historical point of view, do not correspond with cost changes experienced by electric utilities.

Every incentive is given to a filing private company to make the future estimated costs as high as possible; then, to preserve the validity of the estimates, self-fulfilling prophecies will insure that the necessary costs are incurred.

If the *Duke* case is the guideline, every Form I filing by the 210 Class A & B private companies could give rise to a rate contest—the FPC docket would be a procedural morass.

These objections are only the highlights. There are many more, including the most basic issue of all: Does the Federal Power Commission have the legal authority to depart from actual-cost related ratemaking in favor of anticonsumer crystal-ball-gazing. I doubt it, and I hope the Commission will abandon the proposed rulemaking in R–463.

However, not all is lost at FPC. For example, in November of 1972, twenty municipal systems and their supplier, Ohio Edison Company, announced a rate settlement of $742,000, instead of the proposed $1,140,000. By itself, no big deal; but, they also agreed with the company to study the feasibility of entering into joint ownership of generating facilities. That is a big deal; particularly in Ohio, where municipal systems have worked for decades to secure cooperation and power supply alternatives.

INTERCONNECTIONS

Interconnection, that mystical concept of electrical survival, reliability, and low-cost power, is the subject of several proceedings before FPC. Let me just report on two cases in which some action has recently occurred.

Elbow Lake, the small village in Minnesota which started, in many ways, the current interest in the antitrust laws because of the *Otter Tail* case,[4] is also involved in an interconnection case. It secured FPC approval for both a temporary and permanent interconnection with Otter Tail in which the Commission ordered the company to give a credit to the village of "one-twelfth of the annual interest plus principal costs of Elbow Lake's generating plant. . . ."

However, Otter Tail marched up to the U.S. Court of Appeals for Eighth Circuit, and was successful in pursuading the court that the credit allowed violated Section 202(b) of the Federal Power Act, which provides that FPC "shall have no authority to compel the enlargement of generating facilities. . . ."[5] If allowed to stand, the court reasoned, it "forces Otter Tail, in substance, to purchase the Elbow Lake generating plant. . . ." The *Gainesville*[6] case was distinguished because service there was to be provided on an "as available" basis.

The City of Cleveland, Ohio was recently denied its requested interconnection by the Commission.[7] Cleveland asked for a synchronous 69 kv interconnection with Cleveland Electric Illuminating. Sorry, said the FPC, and instead it ordered the establishment of a permanent synchronous interconnection at 138 kv. Dismissing the petition for rehearing, the Commision again denied the requests of the city, and stated that unless the terms of its earlier order were agreed to within 15 days, the interconnection order would become inoperative.[8] Antitrust matters were also brushed aside.

POOLING

FPC talks a lot about pooling. Now, it has the opportunity to do something about pooling. The docket of the Commission has several cases on it which involve the question of exclusion of municipal systems from pooling arrangements. There are two of these cases in which FPC may have to borrow some language from the press releases it issues to define what a power pool in the public interest is supposed to be.

Over 90 municipal systems and rural electric cooperatives in the Midwest and municipal systems in New England have put the pooling question before the Commission.

Footnotes at end of article.

Exclusion is an issue in both the Mid-Continent Area Power Pool (MAPP), which was formed by private companies in an eight-state area of the Midwest, and NEPOOL, an arrangement put together by private companies in New England. Because the parties in the NEPOOL proceeding are in the process of settling their differences, I will not dwell on that proceding, which started in 1971.[9]

The MAPP case, however, raises very similar issues.[10] Among their objections to the proposed pool, the intervenors allege the following:

All but large utilities are precluded from participating.

Provisions of the agreement, such as restricting membership to systems having an interconnection of 115 kv or more with two or more utilities, are in violation of the antitrust laws.

Activities of the private companies involved, of which the MAPP agreement is an example, including acquisition of publicly-owned utilities, and refusals to deal, are in violation of the antitrust laws.

Related to these antitrust objections is the other allegation of the MAPP intervenors, in which they state that the terms of the pool do not operate in the public interest because of the restrictions on the flow of power within the agreement, and the lack of a coordinated plan for the building of generation and transmission facilities. To the best of my knowledge, this is the first time FPC has been asked to deal with this issue.

The MAPP intervenors have also questioned the legality of the participation of the U.S. Bureau of Reclamation in the pool, saying that this participation is in violation of federal laws giving preference in the sale of power from federal projects to public bodies and rural electric cooperatives.

UNILATERAL RATE CHANGES

For reasons unknown, it just takes time for this FPC to realize that U. S. Supreme Court decisions are binding on it. In 1956, the Court set forth the so-called *Sierra-Mobile*[11] doctrine, which prohibits the Commission from approving unilateral rate changes by jurisdictional utilities when they are under a contractual obligation to provide power at the agreed rate for a term certain. Today, when FPC faces a *Sierra-Mobile* issue, and there are many cases in which it has been raised, it expresses disgust with the Supreme Court decisions, and then either upholds or turns down the filing based on analysis of the terms of the contract. All in all, a very unenthusiastic approach in the light of a rather clear body of law.

This critical attitude toward *Sierra-Mobile* may have to be abandoned by the Commission. Pending in the U.S. Court of Appeals for the District of Columbia is a case which will probably shed some light on the current state of the doctrine. That case involves the Indiana & Michigan Power Company, and was argued last month.

In that case, the wholesale contract refers to rates set in a tariff filed with the Indiana Public Service Commission as the level of payment to be made by wholesale customers. These customers argue that the only permissible rate increases which may be made are those allowed in the contract; as long as the tariff referred to in the contract is in effect, and it is, FPC may not approve a rate change under the *Sierra-Mobile* doctrine. If the rate is "so low as to affect the public interest" the company's relief may be found in Section 206 of the Federal Power Act, where the Commission can raise the rates unilaterally.

PRICE SQUEEZES

One area which is receiving a good deal of attention at FPC is the so-called "price squeeze" placed on wholesale purchasers by their suppliers. This issue arises when the selling company sets rates at a level whereby the purchaser cannot compete with the supplier's own industrial or commercial rates, and has been attacked by municipal electric systems on antitrust grounds and under the Federal Power Act.

What has spurred the new interest in the price squeeze issue is an initial decision issued on November 29, 1972 by an Administrative Law Judge, wherein it was held that the Commonwealth Edison Company was discriminating between its municipal wholesale customers and industrial customers when the wholesale rate was higher than the industrial rate.[13] The ruling allowed refunds to the municipal customers for a 314-day period during which the "price squeeze" was in effect; after that period the company raised its rates to the industrial customers to a level higher than those charged the municipal wholesale customers.

ANTITRUST AND FPC

The current inconsistent attitude of the FPC toward antitrust issues was demonstrated very clearly last fall on the day the *Otter Tail* case was argued before the U.S. Supreme Court. The first case heard by the Court that morning was *Otter Tail;* and, the Commission argued that Congress gave it the primary authority to consider anticompetitive matters under its general regulatory authority, to which the courts should defer. The second case heard that morning was an appeal by municipal systems in Louisiana (Lafayette and Plaquemine) from a decision by FPC in which it was determined by the Commission that it did not have to examine antitrust allegations when it was approving the issuance of securities under Section 204 of the Federal Power Act.[14] Thus, in one morning before the U.S. Supreme Court the Federal Power Commission took the position it should have primary jurisdiction over antitrust matters; but, in the case of Section 204, when the issue was placed squarely before the Commission, it begged off.

This inconsistency is further compounded when the Chairman of the Commission states:

"The capital intensive requirements, management responsibilities, need for new and expended facilities and accelerated search for gas supplies require a re-examination of the regulatory process in relation to the antitrust laws. The present dichotomy between antitrust enforcement as a method of regulating the gas and electric industries subject to this Commission's regulation may be counterproductive as a method of serving the public interest. I have advocated a searching re-examination of antitrust jurisdiction applicable to the electric and gas industries. We should consider at the 93rd Congress the extent to which plenary jurisdiction should be conferred upon the Federal Power Commission to resolve antitrust issues concerning jurisdictional gas and electric utilities."[15]

While the industry and the Commission issue releases and give speeches concerning matters of reliability, planning, cooperation, and regional pooling, the fact remains that in many parts of the nation the large private utilities are engaging in exclusionary and monopolistic practices which are designed to choke off competition from the consumer-owned segment of the industry. It is also a fact that the participation gains made by small utilities within the last few years have been a direct result of the antitrust laws.

Otter Tail represents only the tip of the iceberg. I frequently hear reports from municipal utility officials and their attorneys who find that they are able to negotiate better power supply arrangements, and rid themselves of restrictive contractual provisions because of antitrust activities which are extant in the industry. And the new Atomic Energy Commission antitrust review procedure has also brought an end to many monopolistic practices which, in some cases, had existed for decades.

All of this activity in the antitrust area can benefit only one person—the ultimate consumer. The antitrust laws are making fact out of the press release fictions which too many people in the industry were beginning to believe. Gains made by municipal systems are not an attempt to "restructure" or "nationalize" the industry—these gains only assure the existence of a pluralistic electric industry where each utility, not just a few private companies, has the opportunity to gain access to power supply alternatives and take its rightful competitive place.

Unfortunately, FPC has not yet addressed the antitrust issues placed before it in a meaningful manner.[16] If, as the Chairman suggests, plenary jurisdiction were granted by the Congress to FPC to resolve antitrust issues, taking the courts out of the picture, the record so far does not indicate that smaller excluded utilities would achieve very much.

Ironically, while the Commission plays shadow games with the antitrust laws it is supposed to look at in performing its regulatory functions, it has clear jurisdiction to remedy exclusions or anticompetitive behavior in a large portion of what one attorney at the Department of Justice has labeled the "third market" in power supply.[17] This market is distinguished from the retail market and the firm wholesale supply market in that it includes "transactions in emergency or standby power, for spinning reserve, for economy energy, for transmission services or wheeling, for unit power or deficiency power, or even for opportunities to engage in joint venture with others to install large size base load generating units . . ." The "third market" has already received considerable attention under the Atomic Energy Commission's antitrust review procedures, and one can only hope that a little bit of AEC rubs off on FPC.

FOOTNOTES

[1] FPC Opinion No. 654, March 19, 1973.
[2] FPC Opinion No. 641–A, February 16, 1973.
[3] FPC Opinion No. 641, December 18, 1972.
[4] *Otter Tail Power Co.* v. *United States,* 41 U.S.L.W. 4292 (No. 71–991, February 22, 1973).
[5] *Otter Tail Power Co.* v. *FPC,* — F.2d — (CA8 February 21, 1973).
[6] *Gainesville Utilities Dept.* v. *Florida Power Co.,* 402 U.S. 515 (1971).
[7] FPC Opinion No. 644, January 11, 1973.
[8] FPC Opinion No. 644–A, March 9, 1973.
[9] FPC Docket No. E–7690.
[10] FPC Docket No. E–7734.
[11] *United Gas Pipeline Co.* v. *Mobile Gas Service Corp.,* 350 U.S. 332 (1956); *Sierra Pacific Power Co.* v. *FPC,* 350 U.S. 348 (1956).
[12] Consolidated case numbers: 72–1963, 72–2035, 72–2168.
[13] Commonwealth Edison Company, et al., Docket No. E–7579: also, see Consumers Power Company, Docket No. E–7803, and FPC Orders of November 27, 1972 and January 26, 1973, Pacific Gas & Electric Co. (Appeal pending before U.S. Court of Appeals for the District of Columbia, No. 73–1246.)
[14] *Gulf States Utilities Co.* v. *FPC,* Supreme Court of the United States, No. 71–1178, Oct.
[15] Remarks of John N. Nassikas, Chairman, Federal Power Commission. 28th Annual Meeting of Independent Natural Gas Association, Dorado Beach, Puerto Rico, October 24, 1972.
[16] See, for example, FPC Order "Accepting for Filing . . . Denying the Petition to Reject," Toledo Edison Co., February 28, 1973. Also, FPC Orders of November 27, 1972, and January 26, 1973. Pacific Gas & Electric Co. (Appeal pending before U.S. Court of Appeals for the District of Columbia, No. 73–1246).
[17] "Antitrust Review Under Section 105(c) and the 'Third Market' for Electric Power,"

remarks of Wallace E. Brand, Attorney, Antitrust Division, Department of Justice, 1973 Annual Meeting of the National Rural Electric Cooperative Assn., Dallas, Texas, February 26, 1973.

GULF STATES UTILITIES CO. *v.* FEDERAL POWER COMMISSION ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

(No. 71-1178. Argued December 5, 1972—Decided May 14, 1973)

Following petitioner's application under § 204 of the Federal Power Act to respondent Federal Power Commission (FPC) for authorization of a bond issue, two intervening cities opposed the authorization on the ground that the proceeds of the bond issue would be used to finance or refinance certain anticompetitive activities in violation of the antitrust laws, the Federal Power Act, and the Public Utility Holding Company Act of 1935. Section 204(a) empowers the FPC to authorize a security issue only if the issue is found to be for some lawful purpose and compatible with the public interest. The FPC granted the cities' petition to intervene, denied their request for a hearing, and authorized the bond issue, holding that the cities' allegations were irrelevant to a requested authorization of securities under § 204. The Court of Appeals remanded the case for consideration of the cities' claim, holding that, in line with the reasoning in *Denver & R. G. W. R. Co.* v. *United States*, 387 U.S. 485, the FPC should have considered the alleged competitive consequences of the bond issue in the § 204 proceeding. *Held*:

1. The FPC, as a general rule, must consider the anticompetitive consequences of a security issue under § 204. Pp. 8–14.

(a) The Federal Power Act did not render antitrust policy irrelevant to the FPC's regulation of the electric power industry. Pp. 9–11.

(b) The fact that the FPC has broad authority under other provisions of the Act to determine whether a public utility's conduct is in the public interest does not mean that the same standard is not equally germane under § 204. Pp. 11–12.

(c) Consideration of antitrust policies in the context of § 204 provides a first line of defense against anticompetitive practices that might later become the subject of an antitrust proceeding. P. 12.

(d) The FPC, like the Interstate Commerce Commission, has broad regulatory authority, which includes responsibility for considering antitrust policy in discharging its statutory obligations. Cf. *Denver & R. G. W. R. Co.* v. *United States, supra.* Pp. 12–14.

2. Though the FPC is not necessarily required to hold a hearing or make a full investigation in all cases, its summary disposition of proffered objections to the security issue requires strict scrutiny by a reviewing court in light of the Commission's obligations to protect the public interest and enforce the antitrust laws. Pp. 14–15.

3. Unexplained summary administrative action is incompatible with the requirements of § 204 and precludes appropriate judicial review. Pp. 15–16.

147 U.S. App. D.C. 98, 454 F. 2d 941, affirmed.

BLACKMUN, J., delivered the opinion of the Court, in which BURGER, C. J., and DOUGLAS, BRENNAN, WHITE, and MARSHALL, JJ., joined. POWELL, J., filed a dissenting opinion in which STEWART and REHNQUIST, JJ., joined.

Mr. MOSS. Mr. President, I am ready to yield back the remainder of my time. I do not know whether any time remains to the Senator from New Hampshire.

The PRESIDING OFFICER (Mr. DOMENICI). One minute remains to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I understand I have 1 minute remaining. I shall use only one-half minute to emphasize one thing which has not yet been brought out.

It has been stated repeatedly by both sides in the discussion this afternoon that former Representative Springer is honest, fair, and of the highest integrity and sincerity.

One point has not been mentioned, and that is that of all the men I have known in Congress, he has been one of the hardest working Members it has been my privilege to know. He does his homework and he does it for himself.

I do not know whether Mr. Springer has any desire to remain for a long time on the Commission, but I think that we are lucky to get such a man who is willing, during this energy crisis, to work hard to solve it. He is a man that we know has the necessary experience and he is a man we know will work hard for a solution to our present energy crisis.

AGAINST THE NOMINATION OF WILLIAM SPRINGER TO THE FPC

Mr. PROXMIRE. Mr. President, the Federal Power Commission was established as a conservation and consumer protection agency. It has strong quasi-legislative powers in regulating public utilities. It must exercise this power in the public interest. This means that the FPC must do its best to assure adequate supplies of energy, must protect the environment, and must keep utility prices at the lowest reasonable level.

How can we insure that five men—five men who are appointed and not necessarily responsive to public opinion—will keep the public interest at heart as they perform their duties on the Federal Power Commission?

The best way is to scrutinize carefully the nominees for these positions and make sure that the Federal Power Commission has members who are sympathetic to public needs as well as the needs of the power industry. In the recent past, the commission has compiled a proindustry record. It is time now that the Commission demonstrate some sensitivity to the interests of consumers and the environment.

What is the background and orientation of the current Commissioners? The Chairman, John N. Nassikas, is a lawyer by background who has a distinguished career in representing insurance, banking, and utility companies. His friendliness toward the utility industries under his jurisdiction has been noted by the Wall Street Journal, Forbes magazine, and the Nation. Under his chairmanship, the FPC has produced a large number of strongly proindustry rulings.

The other two commissioners, Albert Brooke and Rush Moody, hold similar views.

Under the present commission, in the last 3 years the prices for interstate sales of gas have increased more than 20 percent, or approximately $500 million per year. And pipeline rates have increased at an approximate rate of $1.2 billion per year over the same period.

Mr. President, it is clear that the orientation of these three commissioners is proindustry, and consumer interests have taken a back seat. Greater balance is needed on the commission. The FPC should represent consumer and environmental interests, and it is time that we have some strong advocates of these interests on the FPC.

William Springer, the nominee we are currently considering, spent 22 years in the House of Representatives. As early as 1955, he voted to remove from the FPC the power to regulate the wellhead price of natural gas. He evidently does not believe in any type of regulation in this area at all, a position I believe is untenable.

Mr. Springer has also consistently sided with private power companies and against the interests of public power companies. In Congress he voted to prohibit public construction of transmission lines to carry publicly produced power. He voted against the Tennessee Valley Authority. He voted to let private power companies exploit the enormous Federal investment in atomic power for their own benefit. He voted against an efficient plan to produce electricity in the Northwest and in New England. These votes have all been favorable to private utility interests. We must weigh this record against public power, keeping in mind that the FPC will make crucial decisions in the next few years on preserving public power capacity.

The Federal Power Commission also has a responsibility to preserve our environment. But Mr. Springer's record in this area is also poor. In 1970, the League of Conservation Voters gave Mr. Springer a zero rating. In 1972 he got a rating of 24 out of 100.

A more complete analysis of Mr. Springer's performance in the House regarding these issues was made by Representative GEORGE E. BROWN of California at confirmation hearings. I ask unanimous consent that the transcript of a portion of his statement be included at the end of my remarks.

Mr. President, Mr. Springer's past record underscores the fact that he will not bring to the FPC the type of balance that I believe is essential if consumer and environmental interests are to receive the protection they deserve.

Mr. President, I will vote in opposition to Mr. William Springer for the Federal Power Commission. And I would urge my colleages to take a close look at his past record before voting on this appointment.

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

Congressman GEORGE E. BROWN. Turning now to the Honorable William L. Springer, a former colleague of mine in the House of Representatives, I must, in light of his public record regretfully oppose his nomination.

As early as 1955, Mr. Springer in voting on H.R. 6645, supported removing from the FPC the power to regulate the wellhead price of natural gas. This, among other positions, demonstrates that Mr. Springer will not only be less than enthusiastic in supporting cost-based price regulation of wellhead gas; he evidently does not believe in any type of regulation at all. This is an incredible position for an FPC Commissioner to hold.

A further examination of the record indicates that Mr. Springer prefers the interests of private power companies to the interests of public power companies, again to the ultimate detriment of the energy consumer.

Only four months after he had taken office, May 2, 1951, Mr. Springer voted to prohibit the public construction of transmission lines to carry publicly produced power, so as to allow private companies to carry the power and in effect make local public utilities captive to the transmission prices or private electric monopolies.

Similarly, when the Tennessee Valley Authority, which produces public power, has been the issue, Mr. Springer has sided with the private power companies who have no love for TVA. On August 7, 1957, on a key vote to cut TVA appropriations, Mr. Springer voted yes. On May 7, 1959, Mr. Springer voted to kill a bill authorizing TVA to sell revenue bonds to finance expansion and improvement of facilities.

In the 1950s, Congress was considering whether the enormous federal investment in atomic power would be used mainly for the public benefit or largely turned over to private companies to be exploited for their own benefit. Each time the issue came to a vote, Mr. Springer sides with the private power interests. This includes the following three votes:

1. A vote on July 26, 1954, on amendments to the Atomic Energy Act which would permit the private development of atomic power in such a way as to encourage the development of monopolies.

2. A vote on July 24, 1956, to kill recommendations by the Joint Committee on Atomic Energy to construct reactors to serve as demonstrators for peacetime uses of atomic power.

3. A vote on August 9, 1957, to eliminate from AEC appropriations, funds for construction of a uranium reactor and plant to study possible peaceful uses of atomic energy.

Somewhat more recently than these votes are a series of votes on an issue I am sure you, Mr. Chairman, will recall only too well. During the period of 1961 to 1964, Congress acted on a number of measures affecting the availability of public power in the Northwest. At issue was the energy being produced by the Hanford, Washington dual purpose plutonium reactor. Inexpensive by-product steam from the reactor could have been used to run turbines to generate electricity for that part of the country. On August 8, 1961, a key vote was taken on whether to authorize $95 million to build an electric power plant to use this energy. Mr. Springer voted against it.

Slightly more than a year later, on August 29, 1962, there was a less ambitious plan before the House whereby the AEC would sell its steam to the Washington Public Power supply system rather than produce electricity itself. Mr. Springer voted against allowing even 50 percent of the power to go to the public system.

Finally, on August 18, 1964, in a key vote to guarantee electric consumers in the Northwest first call on electrical energy generated at federal hydroelectric plants in the region, Mr. Springer voted no.

The CHAIRMAN. I would say Congressman, the last part of your testimony, the Chairman is pretty familiar with that.

Mr. BROWN. All right. I will be glad to skip over that, Mr. Chairman.

The CHAIRMAN. You briefed it well. No, no, do not skip it.

Senator TUNNEY. I am not as familiar as the Chairman is.

Mr. BROWN. I knew the Chairman would be familiar.

The CHAIRMAN. I only meant that I was familiar with the last portion that he read.

Mr. BROWN. Let me hurry through this, Mr. Chairman.

The New England region was the scene of another conflict between public power and private power interests. The Dickey-Lincoln public power project in Maine was designed to provide cheaper power for the New England area. The private power interests sought to have the project deleted from the Rivers and Harbors Bill in 1965 and to have its planning funds cut in 1968.

After missing the first vote in 1965, Mr. Springer voted in favor of cutting the funds on June 19, 1968.

Senator COTTON. May I say that I am very familiar with that case, too.

Mr. BROWN. I am sure you are, Senator Cotton.

There is nothing wrong with Mr. Springer's votes in these matters. In many cases, they were shared by a large part of the House, maybe a majority, but I am bringing them out for the record as they bear upon his role as an FPC Commissioner.

This committee must weigh Mr. Springer's record against public power, in light of the crucial decisions that the FPC will be making in the next several years to preserve public power.

For example, the FPC must decide whether or not to "accommodate" municipal and cooperative power systems into vitally needed power pools which are currently dominated by the private power companies. These private interests are vigorously opposing such an accommodation. If the private power companies have their way on this issue, the small public system could be frozen out of power pools and be forced to sell or merge with private companies due to a lack of access to supply during peak power demand periods. This, in my judgment, would be tragic for the cause of cheap public power.

So far, Mr. Chairman, I have touched on the natural gas and electric power responsibilities of the FPC and Mr. Springer's attitudes toward those responsibilities. However, a substantial part of the FPC's authority is in the environmental field. The Commission has authority for licensing and determining the location of hydroelectric plants. It is responsible for protecting the environment when it comes to the construction of hydroelectric projects and of natural gas transmission lines. In addition, the FPC's regulations have been revised to implement the National Environmental Policy Act of 1969 and court decisions have ordered it to consider a project's environmental impact.

Given these responsibilities, the committee should examine Mr. Springer's record in protecting the environment:

The League of Conservation Voters in its evaluation of his environmental record in 1970 gave him a zero. The same organization in 1972 credited him with only 24 points out of a possible 100 on the basis of environmental issues on which he voted during the 92d Congress. As arbitrary and sometimes misleading as any such voting indexes may be, they, nevertheless, serve as an indicator of what Mr. Springer's priorities are.

To a certain extent the preoccupation with environmental issues is of relatively recent origin. Some environmental issues, however, have been of continuing concern over the years to a great many groups.

On two occasions, the Labor Movement, for example, has pointed out Mr. Springer's failure to support strong anti-water-pollution efforts. If, in 1960, Mr. Springer and 11 other members of the House had joined to override President Eisenhower's veto, there would have been federal contributions of $90 million a year for ten years to aid communities in their programs to combat water pollution. With the defeat of this program, the problem has worsened and the costs of remedying it have gone up.

Again, in 1972, the AFL–CIO took note of an important vote on an amendment to the 1970 Federal Water Pollution Control Act. It would have dealt with the practice of employers threatening workers and unions with massive job lay-offs unless they aligned with the company in publicly opposing the issuance of a pollution abatement order. The amendment allowed the workers or their union to obtain from the Environmental Protection Agency a public investigation to substantiate these job-loss claims by the employers. Mr. Springer voted against that amendment.

In summary, Mr. Chairman, I am shocked at these nominations. The President, in the midst of an energy and environmental crisis has nominated to the Federal Power Commission two individuals who have been longtime advocates of the energy industry.

What incentive will these men have to encourage, if not force the energy companies to use some of their tremendous profits to clean up the air and the water they are responsible for polluting?

What concern have these men demonstrated for the interests of the small individual consumer they will be sworn to protect, if they are confirmed?

The current FPC Commissioners have demonstrated in a variety of decisions, their industry orientation: If these nominees are confirmed, that orientation will be solidified in concrete.

Surely this committee can ask, if not demand, that the President appoint at least two FPC Commissioners out of five, whose backgrounds indicate an impartial or consumer orientation. That would at least give the poor consumer a fighting chance.

Thank you, Mr. Chairman.

Mr. STEVENSON. Mr. President, it is with regret that I announce my intention to vote today against the nomination of William Springer to the Federal Power Commission.

My regret stems from the fact that William Springer is a man of character and integrity. As a Congressman, he served his district in my own State of Illinois well for 11 terms—22 distinguished years.

But the issue today is not William Springer. The issue is the philosophy of the appointees who serve on the Federal Power Commission and, more broadly, it is the attitude of Congress to the regulatory agencies and to President Nixon's own philosophy of appointments to them.

The Federal Power Commission was established in 1920 with a strong statutory mandate in environmental and consumer matters. Upon the passage of the Natural Gas Act in the 1930's, its jurisdiction came to include regulating the wholesale price of electricity and natural gas and the construction of non-Federal hydroelectric projects and natural gas facilities.

President Franklin Roosevelt spoke of the charge to the FPC:

> The regulating Commission, my friends, must be a tribune of the people, putting its engineering, its accounting and its legal resources into the breach for the purpose of getting the facts and doing justice to both the consumers and investors in public utilities. This means, when the duty is properly exercised, positive and active protection of the people against private greed.

This charge must hold true today. The FPC has jurisdiction over industries whose gross revenues exceed $30 billion per year. It is estimated that a 1 cent per MCF increase in the cost of natural gas at the wellhead would cost the consumer $1 billion.

There is widespread evidence that the historic conditions which led to the passage of the Natural Gas Act and the

regulation of the natural gas industry are still prevalent. In a recent case the FPC staff stated that the natural gas industry "is not structured so as to render competition workable." In that case—really three similar cases—certain oil companies—Belco, Tenneco, and Texaco—are seeking to have the 26 cents per MCF price raised to 45 cents per MCF. If the 45-cent rate is approved, in the case of Tenneco this would result in a return to Tenneco of 27.5 percent on its total investment and a return on its equity of an amazing 48 percent.

It is, therefore, disturbing when the Commissioner of the FPC and other Commissioners espouse the philosophy of deregulating natural gas. Perhaps in the broader context of the energy crisis there may be need to do so, but this decision should be up to Congress to work out in a deliberative manner.

President Nixon opposes the present law on natural gas regulation and seeks to change it. In the meantime he has already appointed three Commissioners who share his philosophy. That is his prerogative, and Congress advised and consented to those nominations.

But now he seeks to "pack" the Commission with members who agree with his philosophy. Former Congressman Springer's record on this and other consumer issues has consistently been on the side of industry. As early as 1955 Congressman Springer voted for deregulation.

I hope the Senate will not give it consent to this nominee. As Senators HART and Moss put it in their separate views:

> It may indeed seem unfair to "blow the whistle" on these two men, when so many with similar backgrounds have been approved. But at some time the line must be drawn. Congress should carefully scrutinize regulatory commission nominations and reassert its duty to advise the President.

It is well to recall that such agencies as the Federal Power Commission, the Federal Communications Commission, the Interstate Commerce Commission, and other such "independent" regulatory agencies are set up to do work which once was done by Congress—rulemaking and regulation. But in certain chosen instances this regulation was so complex and required such expertise that Congress performed its function inadequately. Congress thus delegated the performance of these specialized duties to newly created independent regulatory commissions, and in carrying out their duties these agencies perform quasi-legislative functions.

Like Congress, these agencies should have the balanced representation of many viewpoints. Any President will try to name to the agencies men and women with his broad points of view. But Congress has a duty to "advise and consent." And the Nixon administration has gone further to pack the regulatory bodies than any administration since the ICC was established in 1887. Of the 38 positions on the six major regulatory bodies, Mr. Nixon has already filled 28, including chairmen for all six. There has been no diversity among Mr. Nixon's appointees. They are almost without exception people with a big business viewpoint. Virtually none can be said to be an "independent" in that word's best sense, or an advocate of the consumer's point of view. I am not saying that every appointee should be such a person, but it would certainly be helpful to have one or two on each major agency—at least to have the consumers point of view represented.

The trend would continue with this appointment if it is confirmed. There would be yet another member of the Commission who holds a philosophy which can be broadly gaged as pro-industry and anti-consumer.

It is possible that despite Mr. Springer's voting record in Congress he would turn out to serve the consumer's interest well. But as Senator MAGNUSON has pointed out, the chances of this happening "are the exception."

I can only reiterate my deep regret at having to vote against Bill Springer. But "the line must be drawn." I must vote against a nominee who gives every indication of upholding industry's interests over the consumer's interests. I shall therefore vote against Mr. Springer and in the future I expect to vote against similar nominations by Mr. Nixon, unless there are strong reasons to do otherwise.

I ask unanimous consent that an article by John Herbers, "Nixon's Imprint is Deep at Regulatory Agencies" appear in the RECORD at this point. This article appeared in the New York Times on May 6.

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

NIXON'S IMPRINT IS DEEP AT REGULATORY AGENCIES

(By John Herbers)

WASHINGTON, May 5.—After little more than four years in office, the Nixon Administration, through the use of appointments and other means, has turned the independent regulatory agencies into bastions of Nixon Republicanism.

They are run by members and commissioners who generally share the President's philosophy for less interference with business and industry. And they have less diversity than existed in the past, with academics, liberals and consumer activists in short supply.

It has been traditional for Presidents to shape the agencies in accordance with their own goals and political ideas. But the Nixon White House, in the view of a wide range of authorities interviewed during the last few weeks, has gone further in this regard than other recent administrations.

Indicative is President Nixon's appointment last March 12 of Lee R. West, a little-known state district judge of Ada, Okla., to the Civil Aeronautics Board and the controversy it set off.

The Senate Commerce Committee is holding up Mr. West's confirmation because committee leaders wanted the post to go to Robert T. Murphy, a consumer-oriented board member whose 12-year term has been marked by votes for more airline competition and against mergers and who was a candidate for reappointment.

A CORPORATE CONSTITUENT

Instead, the White House chose Mr. West, whose name had been submitted by Senator Henry R. Bellmon, Republican of Oklahoma, with the support of House Speaker Carl Albert, a Democrat, also of Oklahoma.

The two Oklahomans share as a corporate constituent American Airlines, which was disappointed at the board's refusal last year to grant a merger between American and Western airlines. American officials have said publicly they want Mr. Murphy replaced.

Yet so strong is the tradition of giving the President a free hand in regulatory appointments, Senators say, that it is probably only a matter of time before the committee yields and Mr. West takes his seat on the five-member board. Mr. Murphy, whose term expired Jan. 1, is serving in the interim.

With the expected departure of Mr. Murphy and of Federal Communications Commission member Nicholas Johnson, whose term runs out in June, Nixon appointees will so predominate on the major regulatory agencies that the stinging dissents that have come from holdovers from previous administrations are expected to be a thing of the past.

ARMS OF CONGRESS

The boards and commissions were originally set up as arms of Congress to regulate and formulate policy in broad areas of trade, transportation and communications. To make them as independent as possible, Congress provided that the members have staggered terms and that they represent both political parties.

However, the agencies rarely have been independent of either Congress or the White House, and some students of government do not think they should be. In recent years, under both Democratic and Republican administrations, there has been more control of the agencies by the President, or more often by his assistants. The agencies are not ordinarily a matter of high Presidential priority.

Kenneth C. Davis, a professor of administrative law at the University of Chicago, who advised President Kennedy on his regulatory appointments, maintains that there is not a great deal of difference between the regulatory bodies, which are supposed to be independent, and the administrative agencies and departments, which are run by the President.

"Congress still prefers independence and the President still prefers to have subordinates," he said in a telephone interview. "The reality is not that different. The difference is much less than people expect."

INFLUENCE HELD INCREASING

The staggered terms rarely work to prevent a President from gaining control due to frequent resignations that arise from various pressures and the tradition that the chairmen serve at the pleasure of the President. Of 38 positions on six major regulatory bodies—the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission and the Securities and Exchange Commission—President Nixon, after a little more than four years in office, has filled 28, including reappointments and those not yet confirmed. He has named the chairmen of all six.

According to Congressional testimony and a number of officials and regulatory experts interviewed over the last few weeks, Presidential influence has increased in some areas under Mr. Nixon.

His appointments have represented less of an ideological mix than those of previous Presidents. For example, he appointed Alfred T. MacFarland, a Tennessee lawyer, as a Democrat to the Interstate Commerce Commission under the requirement that no more than a bare majority of members be of the same party.

The Senate Commerce Commission balked at the appointment, contending that, even though Mr. MacFarland might be known as a Democrat back in Tennessee, he had a long record of supporting Republican candidates. The White House then had Mr. MacFarland

change his registration to independent and resubmitted the nomination.

"We could do nothing but confirm him," said Senator Frank E. Moss, Democrat of Utah. "I don't like it, but I couldn't help but have some admiration for the bold way they did it."

Budgetary control over the agencies by the Executive branch, which has existed for a number of years, has increased under the Nixon Administration, according to testimony taken last year by the Senate Subcommittee on Intergovernmental Relations of the Committee on Government Operations.

INCLUDED IN PERSONNEL CUTS

The Office of Management and Budget, a White House agency, has included some of the regulatory agencies in Administration-wide expenditure and personnel cuts ordered by the President. This, according to Senator Edward J. Gurney, Republican of Florida—who is an Administration supporter—was "sort of new and far-reaching authority that either did not exist or was not used before."

Some of the regulatory members said some investigations of utility rates and other research were curtailed in the process. The Federal Trade Commission lost 72 staff members.

Administration spokesmen have denied any intent to curtail the agencies and say the budgetary claims fall within authority that Congress itself granted the Executive branch. They contend that legislation proposed by Senator Lee Metcalf, Democrat of Montana, to have the budget requests of the agencies go directly to Congress, rather than through the Budget office, would subject the agencies to even more abuse.

The performance of the agencies under the Nixon White House has been mixed, according to a consensus of authorities:

The Securities and Exchange Commission, under former Chairman William J. Casey, instituted reforms and expanded its staff and activities, with Budget office approval, to cope with the crisis in the securities industry. The new chairman, G. Bradford Cook, has indicated he will continue in the same tradition.

The Federal Trade Commission was revitalized under former Chairman Miles W. Kirkpatrick and took a number of pro-consumer actions, including an expansion of antitrust policy. Following his resignations earlier this year, he was replaced by a White House aide, Lewis A. Engman, who has said he will run the agency independent of the White House.

The Federal Power Commission has not had a strong consumer-oriented member since Lee C. White resigned as chairman a few months after President Nixon took office in 1969. Some Senators, charging that President Nixon is breaking a strong tradition for having at least one such member, are objecting to his two latest appointments, Robert H. Morris and William L. Springer, on the ground that they are industry-oriented. The Senate Commerce Committee has cleared the appointments for a Senate vote, with Senators Moss and Philip A. Hart, Democrat of Michigan, among others, filing dissents. The chairman, Senator Warren G. Magnuson, of Washington, has prepared a statement agreeing with the dissent.

The Federal Communications Commission has become more compatible with the nation's broadcasters, who favor less Government control, since it came under Republican control and has been headed by Dean Burch, the conservative lawyer who was chairman of the Republican National Committee in 1964. More important, it has been overshadowed by the emergence of the White House Office of Telecommunications Policy which has moved aggressively in areas once dominated by the commission—in policy effecting the renewal of broadcast licenses, for example.

Although the regulatory bodies have long been a subject of controversy and there are many points of view on how they should operate, some experts say their performance at this time is particularly important.

"This is a time of inflation and the requests for rate increases are more frequent," said Lee White, whom President Johnson appointed to the power commission. "When I was in office and the economy was more stable it was relatively easy to decide who was entitled to more revenue and who was not."

Further, some of the regulated industries are undergoing drastic changes that are of wide public interest—the emergence of cable television and the power shortage, for example.

There is some ambiguity in the White House about what the Administration is seeking to accomplish with the regulatory bodies. Last summer, President Nixon had an off-the-record meeting with a group of broadcasters. Stanley E. Cohen, writing in "Advertising Age," said the broadcasters came away "eager to talk."

"By their account, Nixon is annoyed by regulatory agencies staffed with young lawyers who are trying to challenge the system," Mr. Cohen wrote. "He is frustrated because some of his appointments go wrong. He can appoint people like F.T.C. Chairman Miles Kirkpatrick, but he can't do anything about them after they are in their jobs."

When the White House announced Mr. Kirkpatrick's resignation on Jan. 1, Gerald L. Warren, deputy White House press secretary, said he could not say that the President accepted the resignation with regret. Mr. Kirkpatrick, however, received a letter from the President saying the resignation was accepted with "deep regret." Mr. Warren apologized, said his error was an oversight, and the resignation was totally voluntary.

SCREENING IS DISCERNED

Others in the White House indicated that Mr. Warren's first statement more accurately reflected the feeling of a fair number of officials in the Administration.

The President's recent appointments appear to have been screened to reflect Mr. Nixon's belief that Americans are better served when business is not put under strict restraints.

Congress recently created the Consumer Product Safety Commission with a mandate that could make it one of the most powerful and independent of the regulatory agencies. It will submit its budget directly to Congress, bypassing the Office of Management and Budget, and it has authority to impose strong product-safety rules on industry, with fines and criminal penalties to back them up.

As chairman of the five-member commission, President Nixon chose Richard O. Simpson, a 43-year-old California businessman who has been serving as assistant secretary of commerce for science and technology. His appointment had been applauded by industry officials.

A desire for "balance" on the Federal Power Commission has prompted the Consumer Federation of America and seven other consumer groups to oppose President Nixon's two recent appointments to that agency. One, Robert Morris, a San Francisco lawyer, has long represented Standard Oil Company of California, a major gas producer subject to commission regulation. The other, William Springer of Illinois, served for 22 years in the House of Representatives, where his votes over the years were said to have favored the power industry.

The ability of the President to work his will on appointments is not absolute. Congress still has influence, though it has been diminishing. An example is the manner in which a black, Benjamin L. Hooks of Memphis, was appointed to the Federal Communications Commission.

RIGHTS GROUPS' PRESSURE

According to several sources, civil rights organizations had been petitioning Senator John O. Pastore, Democrat of Rhode Island and chairman of the subcommittee on communications, to promote the appointment of a black to the seven-member agency. Senator Pastore let it be known that he would get difficult about confirmations unless a black were appointed.

The Administration picked Mr. Hooks, whose name had been submitted by Senator Howard H. Baker, Republican of Tennessee, over several other black candidates.

There has been considerable consultation between the regular agencies and the White House on policy matters. Former commission members who served in prior administrations say that while this has increased, it is often essential if coherent policies are to be pursued by the Government. One criticism, however, is that White House offices with vast resources for research and analysis have so grown in recent years that the regulatory bodies do not have the means of challenging White House findings.

"At times," said Nicholas Johnson, who was appointed to the communications commission in 1966, "we do not have the means of even asking the right questions."

"It is the Executive Branch that sets policy on cable television," Mr. Johnson said: "It is the Executive branch to which the Congress turns for recommendations on funding of public broadcasting. When there is no executive recommendation, public broadcasting remains in limbo and subject to political control. It is the Executive branch to which Congress turns for recommendations on the structure of the international common carrier industry. It is the Executive branch, not the F.C.C., that is proposing radical revisions in the communications act regarding license renewal."

On another level, the White House has conducted a public campaign outside F.C.C. involvement, to effect its policies on broadcasting. The most recent example involves the Administration efforts to reduce public affairs programming on public television. Patrick J. Buchanan, special consultant to the President, explained how it works on the American Broadcasting Company's Dick Cavett show March 22.

"Last year," he said, "the Administration proposed an increase for public educational television from $35- to $45-million. It got down on Capitol Hill and the fellows in public television went to work and they increased that up to $165-million, for two years. Now, when that came down to the White House, we took a look at that, I did personally, I had a hand in drafting the veto message.

"And if you look at public television, you find you've got Sander Vanocer and Robin MacNeill, the first of whom, Sander Vanocer, is a notorious Kennedy psychopath, in my judgment, and Robin MacNeill, who is anti-administration. You have Elizabeth Drew—she personally is definitely not pro-Administration, I would say anti-Administration. 'Washington Week in Review' is unbalanced against us, and you have Bill Moyers, which is unbalanced against the Administration.

"And then for a fig leaf, William Buckley's program. So they sent down there a $165-million package, voted 82-to-1, out of the Senate, thinking that Richard Nixon would therefore have to sign it, he couldn't possibly have the courage to veto something like that. And Mr. Nixon, I'm delighted to say, hit the ball about 450 feet down the right field foul line, right into the stands, and now you've got a different situation in public television. You've got a new board on the Corporation for Public Broadcasting [the Government organization that runs the network], you've got a new awareness that people are concerned about balance. And all

this Administration has ever asked on that, or on network television frankly, is a fair shake."

All the programs Mr. Buchanan mentioned, except Black Journal, have been canceled. White House aides have been intensively lobbying corporation board members on policy matters. And Mr. Nixon's appointee as corporation chairman, former Representative Thomas B. Curtis, has resigned charging interference by the White House.

Mr. KENNEDY. Mr. President, for many years Bill Springer was the ranking minority member of the House committee on Interstate and Foreign Commerce. That committee is the one which deals with virtually all of the legislation which has to do with the organization and delivery of health care. As the ranking minority member of that committee, Mr. Springer was an ex officio member of its Health Subcommittee. As such, I had the opportunity, as chairman of the Senate Health Subcommittee, to work with him in conference between the House and the Senate on health legislation. It was my judgment that he served in that capacity with high competence and distinction.

Nevertheless, the issues confronting the Federal Power Commission involve a wholly different range of considerations.

In these days of soaring prices and increasing scarcity of natural resources there must be some representation on the FPC of the consumers' interests. The Presidential appointments over the past 4 years do not fulfill these requirements and unfortunately the past record of Mr. Springer reflects an industry orientation, not consistent with those interests. I thus cannot support this nomination.

Mr. COTTON. Mr. President, I yield back the remainder of my time.

Mr. MOSS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now expired.

The question is, Shall the Senate advise and consent to the nomination of William L. Springer, of Illinois, to be a member of the Federal Power Commission?

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 South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. CLARK), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), and the Senator from South Dakota (Mr. MCGOVERN), are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

On this vote, the Senator from Washington (Mr. MAGNUSON) is paired with the Senator from Iowa (Mr. CLARK).

If present and voting, the Senator from Washington would vote "yea" and the Senator from Iowa would vote "nay."

I further announce that, if present and voting, the Senator from South Carolina (Mr. HOLLINGS) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. JAVITS) is absent because of death in the family.

The Senator from Arizona (Mr. FANNIN) and the Senator from North Carolina (Mr. HELMS) are absent on official business.

The Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Hawaii (Mr. FONG), the Senators from Oregon (Mr. HATFIELD and Mr. PACKWOOD), the Senator from Idaho (Mr. MCCLURE), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The result was announced—yeas 65, nays 12, as follows:

[No. 148 Ex.]

YEAS—65

Aiken	Dole	Montoya
Allen	Domenici	Muskie
Baker	Eastland	Nunn
Bartlett	Ervin	Pastore
Bayh	Fulbright	Pearson
Beall	Griffin	Pell
Bellmon	Gurney	Percy
Bennett	Hansen	Randolph
Bentsen	Hartke	Roth
Bible	Hathaway	Schweiker
Brock	Hruska	Scott, Pa.
Brooke	Hughes	Scott, Va.
Buckley	Humphrey	Sparkman
Burdick	Jackson	Stafford
Byrd, Harry F., Jr.	Johnston	Stevens
	Long	Symington
Byrd, Robert C.	Mansfield	Taft
Cannon	Mathias	Talmadge
Case	McClellan	Thurmond
Chiles	McIntyre	Tower
Cotton	Metcalf	Weicker
Curtis	Mondale	Young

NAYS—12

Biden	Haskell	Proxmire
Church	Kennedy	Ribicoff
Cranston	Moss	Stevenson
Hart	Nelson	Tunney

NOT VOTING—23

Abourezk	Gravel	McClure
Clark	Hatfield	McGee
Cook	Helms	McGovern
Dominick	Hollings	Packwood
Eagleton	Huddleston	Saxbe
Fannin	Inouye	Stennis
Fong	Javits	Williams
Goldwater	Magnuson	

So the nomination was confirmed.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, the Senate will return to legislative session.

ADDITIONAL APPROPRIATIONS FOR PEACE CORPS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 154, H.R. 5293.

The PRESIDING OFFICER. The bill will be stated by title.

The bill was stated by title as follows:

A bill (H.R. 5293) authorizing additional appropriations for the Peace Corps.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with amendments on page 1, line 7, after "$77,001,000," strike out "and for the fiscal year 1975 not to exceed $80,000,000 to carry out the purposes of this Act"; and, after line 8, insert the following new sections:

SEC. 2. Section 10(d) of the Peace Corps Act (22 U.S.C. 2509(d)) is amended by inserting immediately after "other than", the following: "Section 3709 of the Revised Statutes of the United States, as amended, section 302 of the Federal Property and Administrative Services Act of 1949, and".

SEC. 3. (a) Not to exceed 25 per centum of all appropriations made for each fiscal year to carry out the Peace Corps Act shall be available for administrative expenses (including compensation of officers and employees).

(b) The report required under section 11 of the Peace Corps Act shall include information concerning all administrative expenses (including such compensation) incurred in carrying out such Act for such fiscal year.

(c) Subsection (a) and (b) of this section are effective beginning with fiscal year 1975.

SEC. 4. (a) Any Foreign Service staff officer or employee, or any Foreign Service Reserve officer, performing duties with respect to the agencywide support program of ACTION shall spend substantially all of his hours of work in performing such duties on matters relating to the administration of the Peace Corps Act.

(b) The percentage of all officers and employees of ACTION in any fiscal year performing duties with respect to the agencywide support program, who are Foreign Service staff officers and employees and Foreign Service Reserve officers, shall not exceed that percentage which is equivalent to that percentage used to determine the Peace Corps' share of the agencywide support costs.

The PRESIDING OFFICER. There is a time limitation on the bill.

ORDER OF BUSINESS

Mr. MANSFIELD addressed the Chair.

Mr. COTTON. Mr. President, may we have order? We would like to hear what the Senator has to say.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I ask that the time I use, and it will be brief, not be charged on the bill.

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

UNANIMOUS-CONSENT AGREEMENT TO CONSIDER PRESIDENT'S VETO OF S. 518 TOMORROW

Mr. MANSFIELD. Mr. President, for the information of the Senate, I would like to seek its concurrence in setting apart the hours of 4 p.m. to 5 p.m. tomorrow afternoon, the time to be equally divided between the distinguished Senator from North Carolina (Mr. ER-

VIN) and our equally distinguished Republican leader, the senior Senator from Pennsylvania (Mr. SCOTT), the time to be taken up in consideration of the President's veto of the bill seeking to create some control over the Office of Management and Budget, and that the vote on the veto occur at the hour of 5 p.m.

Mr. SCOTT of Pennsylvania. Mr. President, will the majority leader yield?

Mr. MANSFIELD. Surely.

Mr. SCOTT of Pennsylvania. Mr. President, I have no objection; I am satisfied. I would define the bill differently, as a bill to unconstitutionally abolish an office and immediately reinstate it, but aside from our variance in defining the meaning of the bill we have no objection to the time.

Mr. MANSFIELD. I appreciate the cooperation that is always forthcoming from the distinguished Republican leader.

It is understood that if the Senate agrees, the vote on the President's veto of S. 518 will occur at 5 p.m. tomorrow. It will be a rollcall vote. In the hour previous to 5 o'clock, the time will be equally divided between the Senator from North Carolina (Mr. ERVIN) and the Senator from Pennsylvania (Mr. SCOTT).

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

REMARKS OF SENATOR MANSFIELD AT THE DEMOCRATIC CONFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD some remarks that I made at the Democratic Conference today, as well as some addendum.

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

REMARKS OF SENATOR MIKE MANSFIELD AT THE DEMOCRATIC CONFERENCE

This Conference meets today at a critical time. A cloud hangs over the nation. It is Watergate and larger than Watergate. To be sure, the common crime with such uncommon implications that transpired on the night of June 17, 1972 has shaken the nation. Yet Watergate does not reveal the full dimensions of the nation's plight. We confront, too, an unabated rate of inflation of 6.6 percent, even as profits have risen an extraordinary 11 percent. We confront a worldwide retreat from our currency which has run the price of gold up to $128 an ounce. We confront a severe drop in values on the stock market. We confront an incipient fuel shortage. Taken together, these are flashes of warning indicating an economy seriously out of kilter. The political disaster of Watergate has coupled with a shaken economy to create a dual crisis—a crisis of conscience and a crisis of confidence. Devastating things have happened to the central institutions of this nation. The trust of the people in government is deeply disturbed and furious storms are gathering.

Yet, storms have surged before and the nation has lived through them. Always, we have found in the sources of duly constituted authority, a place of firmness in the face of storms. Always, there has emerged a sure grip with which to maintain our hold on political stability. The continuity of free government in the United States is unbroken for two centuries.

Where in this present crisis are the people turning for assurance as to the present and future? It seems to me that the people are tending to look to the Congress. It is as though the anxieties of the nation have sought relief on Capitol Hill. In effect, we are in the midst of a shifting balance of trust in government. Let us not, either House or Senate, delude ourselves as to the significance of this shift. Let us not pat ourselves on the back. In the circumstances, the trust which is being reposed in us is, in large part, a turning away from the Executive Branch rather than a repairing to the Congress. Still, the growing trust in this institution, in my judgment, has a positive side. It is not without some reason.

It is in this connection that I would like to review the work of the Democratic Majority and its Policy Committee during these opening months of the 93d Congress. Let me begin by a reference to the special Senate committee on the Watergate affair. It was the Senate Majority Conference, responding to the Leadership statement of January 3d, which took the initiative in this matter. This Conference pressed Senator Ervin to establish the Committee and to head the inquiry. The wisdom of the initiative is now already apparent.

In the first public segment of the inquiry during this past week, the nation has witnessed the exercising of the Senate's investigatory function at its very best. Under the exceptional legal and parliamentary leadership of Senator Ervin, the Democratic members of the Committee have worked in complete harmony with the Minority members led by Senator Baker. These hearings have begun in a manner which reflects the highest credit on the Senate. They act to strengthen the confidence of the people in the Congress. If there is a keynote to the Ervin inquiry, it is one of scrupulous fairness, impartiality and nonpartisanship. The Committee will be some time in dealing with the facts and implications of Watergate.

Beyond Watergate, there are other questions growing out of the 1972 election campaign, the bogus letters, for example, which affected Senators Muskie, Humphrey and Jackson in the Florida Primary, which must and will be examined in full. That there was an indictment in Florida in this connection in no way lessens the need for the Ervin Commtitee inquiry. In the same way, the naming of a special prosecutor by the Attorney General designate in no way alters the mission of the Ervin Committee with regard to Watergate. In so saying, I do not intend any reflection whatsoever on Mr. Cox whom I know and esteem. The fact is that regardless of the mission of the special prosecutor, the Committee has a prior legislative function. On behalf of the Senate and the nation, the Committee should and, I am confident, will pursue all aspects of this matter of insidious campaign practices until the shadows in the 1972 election campaign are fully explored. Only in that way will they be lifted. Only then will we know how we may strengthen a free and open electoral process as the fundamental element of our political system.

In addition to establishing the Watergate inquiry, this Majority Conference and its Policy Committee delineated a number of other goals at the beginning of the session. By endorsement of the Leadership statement on January 3, the Conference recommended, in effect, a Majority program for the Senate. I can report to you that the record which has been made pursuant to that program is very satisfactory at this point.

We began this Congress facing two far-reaching issues—the termination of the war in Viet Nam and the budget issue which involves, essentially, the questions of spending priorities, ceilings, and impoundments. Inherent in both of these issues—Viet Nam and the budget—are basic Constitutional questions having to do with the role of the Legislative Branch as a co-equal of the Presidency.

The Senate Majority Conference elected to stand, on January 3rd, on the grounds that the results of the November election meant that the people of the nation chose to be governed not by one party alone or by one branch of government alone. Rather, the people wished a constructive opposition in the Congress to the overwhelming power of the re-elected Administration.

To be sure, not many in the Executive Branch read the election results in that fashion. The tendency at that time was to ridicule the capacity and inclination of the Congress to serve as a constructive counterfoil to the Presidency. Indeed, there was much despair even in the Congress over the competence of this body to function in the role of organized opposition. Extreme assertions were made by Administration spokesmen and permanent officials of the Executive Branch as to the reach of the mandate of the Presidency.

It seems to me, a more balanced and sober view of the role of the Congress is now beginning to prevail. Some contend that Watergate has had much to do with the change and I would not dispute the likelihood. However, the record of leadership which has been provided by this Conference and its Policy Committee will bear out that the change is deeper than Watergate. The fact is that this Conference has known where we had to go from the outset and we have organized the effort to get there by working closely together as a Majority in a relationship of comity with the Senate minority and in understanding with the House Leadership.

The two basic issues—Viet Nam and the budget—which faced us five months ago, face us still but in modified fashion. The signs of a righting balance both of responsibility and authority are beginning to appear as between the Executive and the Legislative Branches in questions of war and peace. A cease-fire has been established in Viet Nam. The POW's from the Vietnamese war are back home. If we can end, now, any insidious tendencies to reinvolve this nation in Indochina by the back door of Cambodia and by Executive fiat, what we set on January 3d as a goal of this Conference will have been realized at last.

That goal would have been reached with the proclamation of a cease-fire in Viet Nam. But I do not regard it as met because it embraced by implication not only the war in Viet Nam but the conflicts in Cambodia and Laos. So it is heartening to see Senators of both parties unified now, as never before, to stop this empty policy of violence in Cambodia—a pitiful country where we have neither national interest nor national commitment nor national purpose. It is heartening, too, to see the House of Representatives under the distinguished leadership of Speaker Albert reject the attempt of the Executive Branch to obtain oblique Congressional approval of its unilateral policy of bombing Cambodia by way of an appropriations measure.

In my judgment, the Congress now stands fast against the prolongation of the war anywhere in Indochina in any way, shape or form. The Administration is wholly on its own in this matter and it stands on the most dubious Constitutional grounds. I urge the President, therefore, most respectfully to read the signs in Congress for what they are—a reflection of national sentiment for a complete termination of our military role in Indochina. I urge the President, most respectfully, to act now to merge this clear and unmistakable intent as expressed through Congress into his policies for peace by ending all U.S. hostilities everywhere in Indochina forthwith.

I would also like to mention, too, in connection with the restoration of the balance

between the branches, the War Powers bill which both the Senate and House passed last year but which did not clear the House-Senate conference. This measure is of particular importance and has already been ordered reported out of Committee. It is my intention to bring the issue up at the next regular House-Senate leadership meeting in the hope that we may enact legislation which will more clearly define, in questions of military action, the reciprocal powers of the Congress and the President. Again, I would urge the President to work in concert with the Congress, recognizing with us that the engagement of the Armed Forces of the United States inevitably becomes a matter of such gravity as to compel the joint judgment of an elected President and an elected Congress if it is to have a durable underpinning of national support.

The other great issue which faced us on January 3d concerned the control of expenditures by the Federal government. At the outset, the Congress was made the butt of catch phrases, humorous anecdotes and one-liners ridiculing the inclination, not to speak of the capacity, of Congress to come to grips with government expenditures. Congress was portrayed to one and all by the techniques of the ad man as a bunch of irresponsible spenders. To underscore the point, the Administration even went to the length of putting together a propaganda kit of speech materials on how to ridicule Congress—at government expense to be sure. Due to the efforts of Senator Humphrey and Muskie, distribution and use of this political propaganda was ruled illegal and a lawsuit is now pending to stop its use.

The Administration also proposed a ceiling of $268 billion on federal spending, charging Congress with the inability to do so. The Senate, however, has already twice voted for a ceiling no higher than or less than suggested by the Administration for fiscal year 1974.

The Joint Study Committee on Budget Control has now issued its report recommending procedures for budget control in future years. For the current year, the Chairman of the Appropriations Committee (Senator McClellan) with the full support of the Leadership has developed a formula which will, again, as in the past bring about substantial cuts in the level of expenditures proposed by the Executive Branch and total appropriations will be less than the ceiling proposed by the President.

The formula takes into consideration a Leadership resolution adopted almost unanimously by this Conference. The resolution, it will be recalled, called for a reduction of archaic and excessive military exenditures abroad as a means of reducing federal outlays. In that fashion, the budget can be balanced, even as substantial sums will be made available for urgent domestic needs—needs which the Administration has consistently ignored. In my judgment, this approach is not only "well-meaning," as it has been called, but it is absolutely essential. Unless we strengthen confidence in our currency abroad and unless we strengthen the social and economic infrastructure of the nation, our military strength will rest on a hill of crumbling sand. No matter how many American soldiers are posted abroad, no matter how many bases are manned, neither our "negotiating position" nor our national security will be enhanced one iota. Those who wish us well and those who wish us ill, know it. It is about time we realized this simple reality ourselves.

Another aspect of the budget question involves the impoundment by the Executive Branch of funds for a great many programs. The courts have already ruled against the withholding of $6 billion for environmental facilities by the Executive Branch. As a result other impoundments appear to be on very shaky legal grounds. Once again, most respectfully, I would urge the Administration to desist from its demands for overwhelming power and join with the Congress in the search for a balance between the Branches. It is to be hoped that legislation will become law soon, not over a veto, but by signature of the President.

Of special importance—electoral reform was cited in January for action in the January 3d statement of goals of the Majority Conference. This matter, as it relates to public campaign financing, was discussed at some length at our last meeting at which a resolution offered by Senator Abourezk and enlarged in Conference was adopted. In accepting that resolution, the Conference went on record as favoring legislation embodying the concept of public financing for campaigns and at an end to the corrupting influence of large private contributions. It is noteworthy that a few days later, the Administration proposed a 17-member bipartisan election reform commission to study campaign reform. That is all to the good but I would hope that the regular committees of jurisdiction in the Congress would proceed in their own fashion to consider, thoroughly, proposals in regard to ceilings on contributions and public financing. Our objective must be to encourage broad popular participation in the political process even as we move to shut off the channels of insidious influence.

With regard to the other legislation which was given priority by the Conference at the outset of the session, the Senate has repassed all but one of the major bills contained in the first category—the twelve measures which the President pocket vetoed last year. The second category of priority included bills passed in the Senate or House but which failed to get completely through the Congress. Of these, we have passed the anti-aircraft hijacking bill, federal aid, highway act, victims of crime act, and the health maintenance organizations bill. It is my understanding that committee action is complete or nearing completion on several more of these measures from the last Congress. Those already reported out of committee or soon to be reported out include pension reform, consumer products warranties, land use planning, war powers, and strip mining controls bills. I want to thank the Committee Chairmen for their cooperation in expediting the clearance of this legislation. The Chairmen have done a great deal to move the program as set forth by the Majority Conference at the beginning of the session.

Before closing, I would note that of the 20 goals established by the January 3d statement, we have acted formally and specifically by resolution of this Conference on all but three. Two of these three deal with reorganizing or cutting down the size of the federal bureaucracy. At this point, there appears to be an almost daily winnowing at the top in several agencies without any direct help from the Congress. There is still a need, however, to develop a constructive policy which will bring about substantial reductions of excessive personnel in many agencies not by ruthless mass firings or politically motivated dismissals but by sensible consolidations which can be brought about with maximum consideration of individuals by enlightened orderly programs of reassignment, and enlightened policies of retirement, along with restrained new hirings.

I submit at this point a list of the formal resolutions which have been adopted by the Conference and Policy Committee and another on the objectives of the Democratic Conference as adopted on January 3 for inclusion in the record.

During the next few months, it is apparent that Congress will be operating in an atmosphere supercharged with the shocking revelations of the Watergate affair. However, the regular business of the Senate will continue in legislative committees and on the floor of the Senate. That business cannot and will not be neglected. The stability of the nation requires our continuing attention to routine and ordinary matters, now, perhaps, more than ever.

I want to say that I have never felt greater personal fulfillment in the work of the Senate and the Senate Majority than I do at this critical time. The demeanor of the Senate and the sober restraint of the Majority reflect great credit on the institution and on this Conference and the character of the membership of both. It seems to me the circumstances have demanded a special degree of steadfastness, restraint and dedication from the Senate and Senators of both parties are delivering it. We owe that comportment to the people of the nation. They are counting on us. We must do what it is possible for the Senate to do to renew public confidence in the federal government. We cannot and we will not fail.

SENATE OBJECTIVES AS OUTLINED IN THE STATE OF THE SENATE SPEECH BY THE MAJORITY LEADER, JANUARY 3, 1973

1. Reinforcement of Constitution's checks and balances and reassertion of legislative role. Resolutions Nos. 2, 4, 6, 10, 11, 12, and 15.

2. End of war in Indochina (no sine die adjournment). Resolution No. 15 on Cambodia.

3. Cooperation with House. Resolution No. 15 on Cambodia.

4. Coordination with Democratic Governor. Resolution No. 8 on Energy Crisis.

5. Spending Ceiling set by Congress. Resolutions Nos. 6 and 12.

6. Computerization and Access to material in Budget. Resolution No. 10.

7. Clarification of the Impoundment of Funds practice. Resolution No. 12 on spending ceiling.

8. Reduction of Defense Spending. Resolution No. 11 on Military Expenditures Abroad.

9. Closing of Overseas Bases. Resolution No. 11 and Pastore Resolution No. 13.

10. Cutting of the size of the Federal Bureaucracy. Resolution advanced in Policy Committee but never agreed to.

11. Reorganization of the Federal Government.

12. Quick Disposal of Priority Legislation, including 1973 vetoes. Resolution No. 1.

13. Need for Health Insurance and Welfare Reform.

14. Reform of Campaign Financing law. Resolutions Nos. 9 & 16.

15. Investigation of Watergate Bugging and other Practices. Resolution No. 16. Conference endorsement of Ervin committee.

16. End of FBI Dossiers on Congressmen. See item No. 15.

17. Insurance of Freedom of Speech for the Press. Resolutions Nos. 5 & 7.

18. Reform of Senate Rules, including seniority. Resolution No 3. Stevenson Ad Hoc Cte on Senate Procedures and Practices.

19. Policy Committee to Delineate Party Positions Policy Cte agreed to 13 resolutions. Conference agreed to 13 Policy resolutions with some modifications. Conference agreed to 3 other resolutions not from Policy Cte.

20. Clarification of the uses of Executive Privilege. Resolutions Nos. 2 and 4.

RESOLUTIONS PASSED BY SENATE DEMOCRATIC POLICY COMMITTEE AND OR DEMOCRATIC CONFERENCE, 1973

1. Resolution on Priorities in Considering Legislation.

2. Resolution on Refusal of Cabinet and Other Officials to Testify Before Senate Committees.

3. Resolution on Open Hearings.

4. Resolution on Executive Privilege.

5. Resolution on Media Programming, Planning, and News Reporting.

6. Tunney Resolution Urging Budget Committee to set a Spending Ceiling.
7. Resolution on Freedom of the Press and Revealing Sources.
8. Resolution on the Energy Crisis.
9. Resolution on Campaign Expenditures Ceiling.
10. Resolution on Congressional Access to Data on the Federal Budget and Other Fiscal Information.
11. Resolution on Reduction of Military Expenditures Abroad.
12. Resolution on Spending Ceiling.
13. Pastore Resolution on Closing of Foreign and Domestic Military Bases.
14. Kennedy Resolution on Assistance to Those Affected by Base Closings.
15. Resolution on Cambodia.
16. Resolution on Public Financing of Federal Elections.

LEGISLATION LEFT OVER FROM 92D CONGRESS

Pocket vetoed: (1972) (Items with asterisks have passed the Senate 1973).

Environmental Data Central—Has not been introduced this year.

*Vocational Rehabilitation—Passed Senate 2-28-73.

* Veterans Medical Care—Passed Senate 3-6-73.

* National Cemeteries—Passed Senate 3-6-73.

U.S. Marshals—S. 1123 is pending in committee, nothing scheduled.

National Institute on Aging—Committee order reported 5-18-73.

* Older Americans Act (H.R. 15657) Public Law 93-29.

* Public Works and Economic Development—P/H 3-15-73; Passed S 5-8-73.

Labor-HEW Appropriations.

Mining and Minerals Policy Amendments (S. 236) Pending, no action.

* Airport and Airway Development Act—Passed S 2-5-73; Passed H 5-2-73.

* Rivers and Harbors, Flood Control. Passed Senate 2-1-73.

Held in conference: (1972).

War Powers Act—Hearings held; Committee has ordered it reported.

* Anti-Hijacking—Passed Senate 2-22-73.

* Highway Fund—Passed Senate 3-15-73; Passed H. amended 4-19-73.

Minimum Wage—Pending in committee. Passed Senate: (1972):

Compromise Housing — Administration won't introduce their version until mid September.

* Health Maintenance Organizations—Passed Senate 5-15-73.

* Victims of Crime—Passed Senate 4-3-73.

Land Use Policy—Mark up now.

Fair Credit Billing—Hearing on 5/24.

Consumer Product Warranties—Reported on 5/14.

Passed House only: (1972).

Strip Mining Controls—Executive mark up on 5/22.

Consumer Protection Agency—Held hearings; more scheduled.

Reported to Senate floor: (1972).

Pension Reform—On calendar.

No Fault Insurance—Hearing.

Strip Mining Controls—Executive mark up on 5/22.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time being charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ADDITIONAL APPROPRIATIONS FOR PEACE CORPS

The Senate continued with the consideration of the bill (H.R. 5293) authorizing additional appropriations for the Peace Corps.

Mr. FULBRIGHT. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 5293, authorizing additional appropriations for the Peace Corps.

Mr. FULBRIGHT. Mr. President, the primary purpose of this bill is to authorize an appropriation of $77,001,000 to finance the operations of the Peace Corps during fiscal year 1974.

I ask unanimous consent that a table showing the highlights of the Peace Corps program for fiscal 1974 and a comparable estimate for 1973, and the actual figures for 1972 be printed at this point in the RECORD.

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

PEACE CORPS PROGRAM HIGHLIGHTS

[Dollar amounts in thousands]

	Fiscal year 1972 Actual [1]	Fiscal year 1973 estimate [2]	Fiscal year 1974 estimate
I. Funds:			
A. Training:			
1. Direct training	$9,565	$11,114	$12,730
2. Trainee travel	425	523	582
3. Intern programs	676	517	316
4. PRIST	464	989	1,232
Subtotal	11,130	13,143	14,860
B. Volunteer costs:			
1. International travel	5,679	6,370	6,726
2. Allowances	11,863	14,427	12,643
3. Other volunteer support	4,633	5,274	3,468
4. Dependent support	1,157	682	333
5. Readjustment allowance	7,595	7,663	6,856
Subtotal	30,927	34,416	30,026
C. Peace Corps program support:			
1. Staff	16,307	15,858	14,909
2. Shared Administrative support	3,600	4,017	4,200
3. Multilateral grants	100	350	350
Subtotal	20,007	20,225	19,459
D. Peace corps share of agencywide support	12,973	13,058	12,656
Total funds	75,037	80,842	77,001
II. Volunteers and trainees:			
A. On-board strengths at end of calendar year (December 31)			
1. Latin American	1,894	2,200	2,220
2. North Africa, Near East, Asia and Pacific	2,625	2,829	2,887
3. Africa	2,274	2,234	2,273
Total	6,793	7,263	7,380
B. End strengths at end of Program year (June 30):			
1. Trainee	$538	$1,669	$1,291
2. Volunteer	6,356	5,824	5,974
Total	6,894	7,493	7,265
III. Number of host countries	56	58	62
IV. Average cost per volunteer	$10,165	$9,815	$9,675

[1] Includes $2,600,000 allocation from agency for international development.
[2] Excludes $158,000 transferred to General Services Administration.

Mr. FULBRIGHT. Mr. President, I understand that action on the bill has been cleared with the minority party.

However, I would like to make a few comments on the Peace Corps program. It has been underway more than 10 years and is now a part of ACTION. I personally think that if the Peace Corps is to be continued, it should become a part of the regular AID program. We discussed this matter in the committee, and the committee thought otherwise. I have a feeling that because of our very serious fiscal difficulties, this is one of the programs that might be trimmed.

This program was born during the cold war, one might say, actually during the election in 1960. As I recall it, the then candidate from Massachusetts and later President of the United States, President Kennedy, offered it not only to assist foreign countries, but also as an inspiration to assist the young people of this country to go abroad and become acquainted with people of foreign countries. The idea was popular at the time and I supported it. However, many things have changed since then.

I now feel that, along with many other things that had their origins in those days, we could well consolidate and reduce some of these programs. I personally would prefer it to be consolidated with the AID program. This program has now largely developed into a technical assistance program that is not unlike the technical assistance related to foreign aid. They no longer recruit enthusiastic young men to carry on the American spirit. It is now largely carried out through technicians who convey modern techniques to foreign areas of the world.

There is nothing wrong with that, Mr. President. However, I personally feel that the demand has grown so great that it is beyond our own resources here at home, and it could be cut back and merged with a very similar program that we know of as technical assistance in the aid program.

Nevertheless I do not wish at this late date, particularly in view of the committee action, to offer an amendment to change the bill.

I am ready for a vote, Mr. President, and I ask unanimous consent that a further explanation of the bill be printed at this point in the RECORD.

There being no objection, the following was ordered to be printed in the RECORD:

EXPLANATION OF THE BILL

The original administration proposal called for a 2-year authorization of $77 mil-

lion for fiscal year 1974 and an "open-ended" request for fiscal year 1975. Both the House, as a whole, and the Senate Foreign Relations Committee rejected the "open-ended" portion of this request on the basis that it would be an "unwarranted derogation of Congress' legislative authority."

The Committee also deleted a House amendment which would have granted the Peace Corps an authorization of $80 million for FY 1975. In rejecting the agency's request for a two-year authorization, the Committee expressed its concern about the Peace Corps' present procurement practices, and its inordinate share of the costs and staffing of the agency-wide support programs. In view of its intention to maintain a continuing review of these issues, and in order to facilitate its legislative oversight responsibilities, the Committee concluded that it would be inappropriate at this time to grant the Peace Corps more than a one-year authorization. Thus the Committee recommends that the Senate continue the Peace Corps, as it has throughout the agency's 12-year history, on an annual authorization.

Other Committee amendments are designed to: (1) place the Peace Corps under federal procurement law; (2) restrict the use of foreign service personnel within ACTION's agency-wide support programs; and (3) limit the overall administrative expenses of the Peace Corps to 25 percent.

PEACE CORPS PROCUREMENT POLICY

Congress, in 41 U.S.C. §§ 5 and 252, has established formal advertising as the preferred method of procuring supplies and services for all civilian agencies of the government. At the present time, only the Peace Corps and AID have statutory authority to waive the procurement policy contained in these sections of the Federal Code.

During the past year, at the request of the distinguished senior Senator from Vermont, Senator Aiken, the Committee undertook an investigation of various complaints concerning the Peace Corps procurement practices. This inquiry revealed that the Peace Corps' contracting policy had indeed discriminated against certain proven and reputable training institutions. As a direct result of Senator Aiken's efforts to look into these matters, the Peace Corps has recently taken certain steps to revise its competitive bid process to make it a more equitable procedure.

However, the Committee concluded that a further remedy was needed to guard against the continued abuse by the Peace Corps contracting system. Therefore, the Committee adopted an amendment which would place the Peace Corps under the Federal Property and Administrative Services Act. This amendment while bringing Peace Corps contracting policy in line with other federal agencies would still provide the Corps with the necessary flexibility to procure services and supplies abroad. The Committee recommends that the Senate agree to this amendment in order to insure that the Peace Corps will adopt a more equitable contracting procedure.

LIMITATION ON THE USES OF FOREIGN SERVICE PERSONNEL WITHIN THE AGENCY-WIDE SUPPORT PROGRAMS

ACTION, upon its formation on July 1, 1971, was given the authority to hire foreign service employees to operate the Peace Corps programs. In addition, ACTION received authority to hire general schedule personnel to operate its domestic volunteer programs.

There are three functional operating areas within ACTION; International Operations, Domestic Operations, and Support Programs. International Operations administers the Peace Corps and is staffed with foreign service employees. Domestic Operations administers the domestic programs and is staffed by general schedule personnel. The Office of Support Programs, which provides common services to both international and domestic programs, has been staffed primarily by prior Peace Corps employees with foreign service appointments.

During the hearings on this bill, excerpts from a recent GAO study were inserted into the record to point out that various offices in the agency-wide support programs, while being supported at a rate of 66 percent by Peace Corps appropriations, were performing very little work on Peace Corps operations. The following is a quote from that study:

"We distributed questionnaires to 26 foreign service and general schedule employees assigned to the Office of Policy and Program Development to determine if employees within foreign service appointments were working on Peace Corps related assignments. Although 23 of these employees stated they were spending less than 26 percent of their time performing Peace Corps work, we found 22 of them held foreign service appointments authorized under the Peace Corps Act."

[GAO study B172768—January 12, 1973]

Subsequently, ACTION has indicated that it is now taking steps to convert foreign service appointments within the Support Programs to general schedule appointments. However, during the consideration of this bill, the Committee expressed concern about the continued use of foreign service personnel and Peace Corps funds for primarily domestic programs. The Committee adopted an amendment which is designed to accomplish the following objectives:

(1) require all foreign service employees of ACTION working within the offices designated as combined support operations to spend a substantial portion of their working time on strictly Peace Corps functions; and,

(2) limit the number of foreign service employees that may work in the combined support programs to a figure equal to the ratio used to establish the Peace Corps share of the combined support costs. In other words, if the Peace Corps share of the combined support costs is 60 percent, no more than 60 percent of the employees in the combined support programs can be foreign service appointments.

In order to protect the integrity of the Peace Corps program the Committee urges the Senate to adopt this amendment.

LIMITATION ON ADMINISTRATIVE EXPENSES

Throughout the years, the Committee reports have urged the Peace Corps to keep its total administrative costs below an amount representing 30 percent of its total appropriation. The FY 1974 authorization request has allocated approximately 41 percent of the total Peace Corps budget to administrative costs. This figure includes the Peace Corps share of the agency-wide support costs and represents approximately $31.7 million out of the $77 million requested.

In view of these inflated administrative costs, the Committee adopted an amendment which would limit the Peace Corps overall administrative costs to 25 percent of its total appropriations. This amendment would not go into effect until FY 1975. The Committee believes that this will allow the Peace Corps adequate time to make the appropriate adjustments in its annual budget request. In addition to this limitation, the amendment requires the agency to include in its yearly report a section listing all of the Peace Corps administrative costs.

Mr. AIKEN. Mr. President, the pending matter is a good bill. I am inclined to agree with my chairman that it has developed into a form of foreign aid and perhaps should be incorporated in the economics aid program in the future. However, in the meantime, I think that the bill which is now pending before the Senate is as good as we can do and that it would be wise to take the bill just as it is this year.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time on the bill.

Mr. AIKEN. Mr. President, I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time having been yielded back, the question is, shall the bill pass (putting the question)?

The bill (H.R. 5293) was passed.

The title was amended, so as to read: "An act to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes."

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. AIKEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the Senate insist on its amendments to H.R. 5293 and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. CHURCH, Mr. MCGOVERN, Mr. AIKEN, Mr. CASE, and Mr. JAVITS conferees on the part of the Senate.

AUTHORIZATION OF ADDITIONAL APPROPRIATIONS UNDER FOREIGN SERVICE BUILDINGS ACT

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 5610.

The PRESIDING OFFICER (Mr. DOMENICI). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5610) to amend the Foreign Service Buildings Act of 1926, to authorize additional appropriations, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 2, line 6, after the word "Africa", strike out "not to exceed $2,190,000, of which"; in line 7, after "$590,000", strike out "may be appropriated"; in line 9, after the word "Republics", strike out "not to exceed $375,000, of which"; at the beginning of line 11, strike out "may be appropriated"; in line 12, after

the word "Europe", strike out "not to exceed $4,780,000, of which"; in line 13, after "$160,000", strike out "may be appropriated"; in line 15, after the words "East Asia", strike out "not to exceed $2,585,000, of which"; in line 16, after "$985,000", strike out "may be appropriated"; at the beginning of line 19, strike out "not to exceed $3,518,000, of which"; in line 20, after "$2,218,000", strike out "may be appropriated"; after line 21, strike out:

"(F) for facilities for the United States Information Agency, not to exceed $45,000 for use beginning in the fiscal year 1975;

At the beginning of line 25, strike out "(G)" and insert "(F)"; on page 3, at the beginning of line 4, strike out "Act for fiscal years 1974 and 1975, $45,800,000, of which" and insert "Act"; in line 5, after "$21,700,000", strike out "may be appropriated"; in line 17, after the word "State", insert "for fiscal year 1974"; and, in line 20, after the word "law", insert a comma and "and for other nondiscretionary costs.".

The PRESIDING OFFICER. Under the previous order, there is a time limitation on this bill. Who yields time?

Mr. FULBRIGHT. I yield myself such time as I may require.

Mr. President, the purpose of this bill is to authorize $26,211,000 for fiscal year 1974 for the foreign buildings program administered by the Department of State. Of this amount, a total of $4,511,000 is for new construction, acquisition and development, and $21,700,000 is for operations.

BACKGROUND

Since enactment of the Foreign Service Buildings Act of 1926, the United States has acquired more than 1,600 properties, with a total gross area of almost 17 million square feet and 3,100 housing units in 233 cities abroad. This investment is capitalized at $310 million, but the current market value is estimated to greatly exceed that amount. Funds for carrying the program forward have been authorized from time to time. The last replenishment of the capital account was in fiscal year 1966, when an appropriation of $28,025,000 was authorized; operating funds have in recent years been authorized on a 2-year basis.

On February 23, 1973, the State Department submitted a request for a 2-year authorization of appropriations for both capital and operations funds for the Foreign Service buildings program, totaling $59,611,000, and for the following amendments to the basic statute: First, repeal of the 10-percent ceiling on transfers between geographic areas, and second, authorization of additional appropriations for nondiscretionary costs, such as was contained in the Foreign Relations Authorization Act of 1972. The draft bill was introduced as S. 1171 by Senator FULBRIGHT—by request—and deferred to the Committee on Foreign Relations on March 12.

On March 29, 1973, H.R. 5610, sponsored by Representative HAYS, was similarly referred to the Committee on Foreign Relations. As passed by the House, H.R. 5610 allocated the request for construction, acquisition and development by the geographic areas, according to the Department of State presentation as in the past. The House-passed bill also retained the ceiling on transferability of 10 percent and limited the authorization of appropriations for nondiscretionary costs to such amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Mr. President, I ask unanimous consent that the portion of the committee report beginning with "Committee action" on page 2 down to "changes in existing law" on page 7 be printed in the RECORD.

There being no objection, the excerpt from the committee report (No. 93–162) was ordered to be printed in the RECORD, as follows:

COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing on H.R. 5610 in connection with the State Department authorization bill on April 4 at which time Mr. Earnest J. Warlow, Director, Office of Foreign Buildings Operations, Department of State, testified.

In executive session, on May 16, by a voice vote, H.R. 5610 was ordered reported favorably to the Senate with the amendments which are described in the following section.

PROVISIONS OF THE BILL

The Foreign Service Buildings Fund is divided into 2 accounts: (1) the capital account which finances construction, acquisition, longterm leases, and major alterations of buildings: and (2) the operations account which provides funds for improvements to existing properties, recurring leasehold payments, the maintenance, repair, and operations of buildings, acquisition of furniture, furnishings and equipment for buildings, supervision of construction and administration.

For the capital account, the bill authorizes the appropriation of $4,511,000, broken down by area and special foreign currency program as follows:

Geographic area	Fiscal year 1974		
	Regular program	Special foreign currency program	Combined total
African affairs	$230,000	$360,000	$590,000
Inter-American affairs (Latin America)	240,000	----------	240,000
East Asian and Pacific affairs	985,000	----------	985,000
European affairs	160,000	----------	160,000
Near Eastern and South Asian affairs	85,000	2,133,000	2,218,000
U.S. Information Agency	----------	----------	----------
Attachés	233,000	85,000	318,000
Total	1,933,000	2,578,000	4,511,000

In addition the Department of State had requested a total of $13,811,000 for the fiscal year 1975, which was also broken down by geographic areas in the House bill. As in the case of other authorizing legislation in the foreign relations field, the Committee on Foreign Relations has amended the bill to provide for a one-year authorization only. In doing so, it noted that of the funds requested for FY 1975, $1,600,000 was earmarked for a new embassy office building at Taipei, Republic of China. The Committee believes it would have been premature in any event to authorize funds for this purpose and expects the Department of State to reconsider this proposal before the fiscal year 1975 program is resubmitted in 1974.

For the operations account for FY 1974, the Department of State requested, and the Committee approved, $21,700,000. Again the Committee limited the authorization to one fiscal year and eliminated the $24,100,000 requested for fiscal year 1975 for this purpose.

Further detail from the State Department's presentation follows:

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

The objective of the Foreign Service Building program is to construct or obtain by purchase or long-term lease, appropriate and efficient office space for the Foreign Service and other agencies of the United States Government abroad, and living quarters for American staff at diplomatic and consular posts where housing problems exist.

10-YEAR HISTORY

Year	Domestic	Positions overseas		Totals	Amount
		Americans	Locals		
1965	71	16	27	114	$18,125,000
1966	71	16	27	114	19,125,000
1967	71	16	23	110	15,500,000
1968	71	16	23	110	13,350,000
1969	71	16	20	107	12,500,000
1970	62	13	19	94	13,335,110
1971	62	13	19	94	14,300,000
1972	59	11	19	89	18,750,000
1973	59	11	19	89	27,000,000
1974 (estimate)	59	15	25	99	21,173,000

BUDGET SUMMARY

Appropriation, 1973	$27,000,000
Estimate, 1974	21,173,000
Decrease	−5,827,000

Program by activities	1973	1974	Increase or decrease
Acquisition, development, and construction:			
Africa	$1,345,000	$2,380,000	+$1,035,000
American Republics	3,736,000	1,780,000	−1,956,000
East Asia and Pacific Affairs	9,405,000	1,768,000	−7,637,000
Europe	1,567,000	1,835,000	+268,000
Near East and South Asia	3,759,000	690,000	−3,069,000
Total	19,812,000	8,453,000	−11,359,000
Operations:			
Minor improvements	$589,000	$793,000	+$203,000
Leasehold payments	706,000	1,016,000	+310,000
Operation of buildings	7,023,000	8,000,000	+977,000
Maintenance and repair of buildings	4,196,000	4,907,000	+711,000
Furnishings and equipment:			
Newly acquired or constructed projects	350,000	450,000	+100,000
Additions, replacements, and repairs	1,521,000	1,700,000	+179,000

Program by activities	1973	1974	Increase or decrease
Project supervision	$700,000	$825,000	+$125,000
Administration	1,513,000	1,550,000	+37,000
Total	16,598,000	19,240,000	+2,642,000
Total obligations	36,410,000	27,693,000	−8,717,000
Deduct:			
Unobligated balance brought forward	−$7,326,000	−$2,125,000	+$5,201,000
Anticipated proceeds of sale of real property and miscellaneous receipts	−4,209,000	−4,395,000	−186,000
Add unobligated balance carried forward	+2,125,000		−2,125,000
Appropriation or estimate	27,000,000	21,173,000	−5,827,000

HIGHLIGHTS OF BUDGET CHANGES

The major increases and decreases by activity are as follows:

Acquisition, development and construction −$11,359,000: This program is funded by a combination of appropriated funds, unobligated funds carried over from the preceding fiscal year, and funds derived from the sale of excess properties abroad.

Africa +$1,035,000: This net increase will provide for initiating construction of an office building in Nairobi, Kenya ($2,000,000) and acquiring residential properties in Lusaka, Zambia; Fort Lamy, Chad; and Abidjan, Ivory Coast.

American Republics −$1,956,000: Funds are programmed for use in Latin America to provide for a new office building in Georgetown, Guyana, an office annex in Panama City, Panama, and acquiring residential properties in Nassau, Bahamas and Tegucigalpa, Honduras.

East Asia and Pacific Affairs −$7,637,000: Funds are programmed to construct a new office building in Wellington, New Zealand and remodel and improve the office buildings in Seoul, Korea and Bangkok, Thailand.

Europe +$268,000: This net increase includes carryover funds of $700,000 to provide dollar support costs for construction of an office building in Belgrade, Yugoslavia (the balance of construction costs, $2,950,000, is included in the fiscal year 1974 Special Foreign Currency program). Funds are also being programmed for construction of principal officers' residences in Hamburg, Germany and Budapest, Hungary and acquiring certain long-term lease properties in Leningrad, USSR.

Near East and South −$3,069,000: Included in the $690,000 programmed is the construction of nine staff houses and Marine Guard Quarters in Jidda, Saudi Arabia.

Operations +$2,642,000: This increase is to provide for such mandatory costs as salary and related expenses, increased rents, and overseas wage and price increases ($1,268,000), the removal of several countries formerly funded from the Special Foreign Currency Appropriation ($1,090,000), and additional requirements for minor improvements ($72,000); new furnishings, furniture, and equipment ($100,000); and ten additional positions for project supervision ($112,000).

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

This appropriation provides for the use of excess foreign currencies in the Foreign Buildings program, pursuant to the authority contained in section 104(b)(4) of P.L. 480, as amended, and thereby reducing U.S. dollar expenditures.

10-YEAR HISTORY

	Amount
1965	$5,500,000
1966	6,500,000
1967	6,250,000
1968	5,025,000
1969	3,050,000
1970	2,186,000
1971	6,500,000
1972	6,850,000
1973	6,485,000
1974	5,038,000

BUDGET SUMMARY

Appropriation, 1973	6,485,000
Estimate, 1974	5,038,000
Decrease	1,447,000

Program by activities	1973	1974	Increase or decrease
Acquisition, development, and construction:			
Africa	$416,000	$360,000	−$56,000
Europe	310,000	3,035,000	+2,725,000
Near East and South Asia	2,087,000	2,133,000	+46,000
Total	2,813,000	5,528,000	+2,715,000
Operations:			
Minor improvements	103,000	115,000	+12,000
Leasehold payments	12,000	17,000	+5,000
Operation of buildings	1,225,000	1,006,000	−219,000
Maintenance and repair of buildings	850,000	642,000	−208,000
Furniture, furnishings, and equipment:			
New projects	$280,000	$430,000	+$150,000
Additional replacements and repairs	360,000	200,000	−360,000
Project supervision	70,000	50,000	−20,000
Total	2,900,000	2,460,000	−440,000
Total obligations	5,713,000	7,988,000	+2,275,000
Deduct unobligated balance brought forward	−2,178,000	−2,950,000	−772,000
Add unobligated balance carried forward	+2,950,000		−2,950,000
Appropriation or estimate	6,485,000	5,038,000	−1,447,000

Note: The differences between the amounts shown in the bill and the amounts on these tables is accounted for by the combining of dollar and foreign currency accounts and the inclusion of the fiscal year 1975 authorization in the bill.

HIGHLIGHTS OF BUDGET CHANGES

Acquisition, Development and Construction +$2,715,000 Africa −$56,000: Funds programmed for fiscal year 1974 will provide for acquisition of six staff houses in Tunis, Tunisia.

Europe +$2,725,000: The carryover of funds into fiscal year 1974 will provide for the construction of an office building in Belgrade, Yugoslavia and acquisition of a Naval Attaché residence in Warsaw, Poland.

Near East and South Asia +$46,000: Included is the purchase of an office building site in Bombay, India, and construction in New Delhi of 12 staff houses and 12 senior officer residences.

Operations −$440,000: This decrease reflects the removal of Israeli and Yugoslavian currencies from Treasury's excess currency availability. A decrease of $627,000 for these countries is offset by program increases of $187,000 which include overseas wage and price ($117,000) and other program requirements ($70,000).

ESTIMATED COSTS

Beyond the State Department's request for an authorization of $26,211,000 for FY 1974 and $33,400,000 for FY 1975, the Committee was furnished no future program projections. Assuming, however, that future costs of the Foreign Buildings program continue at the level anticipated for FY 1975, the estimated costs of this program for the five-year period beginning with FY 1974 will approximate $160,000,000.

As previously noted, H.R. 5610 contains an undated provision authorizing transferability not to exceed 10% between geographic areas, which the Executive Branch wanted eliminated. The Committee on Foreign Relations concurs in the House action on this matter.

Lastly, the bill as reported by the Committee on Foreign Relations authorizes additional or supplemental appropriations for non-discretionary costs such as increases in salary, pay, retirement, or other employees benefits authorized by law and other non-discretionary costs, such as those resulting from exchange rate realignments. Identical language was included in the Foreign Relations Authorization Act of 1972 and is being included in the Department of State and the USIA authorizing legislation.

COMMITTEE COMMENTS

While the Committee approves the amounts requested by the Department of State for this program it does so with a word of caution. The Committee is in complete accord with the policy of showing a lowered profile abroad. This applies as well to where and how our foreign service community lives overseas. Separate entertainment, recreational, and supply facilities may have been justified during the shortage years immediately following World War II and may be still justified in true hardship areas where ordinary commercial commodities may not be available in the local market. The Committee is requesting from the State Department information on such special facilities with a view to determining next year where these might be eliminated. In the meantime the Committee expects the Foreign Service Buildings program to be so administered as to avoid in every way the building of ghettoes or compounds, either vertical or horizontal, and to encourage our personnel overseas to live among other nationals and become part of the local scene.

It appears to be clear that this program has been of benefit to the United States and should be continued, especially in these days as a hedge against spiraling inflation in many parts of the world which is severely affecting rentals. It is equally clear that what the United States already possesses must be properly maintained.

In conclusion, therefore, the Committee recommends that the Senate pass H.R. 5610 with the Committee amendments.

Mr. AIKEN. Mr. President, to the best of my recollection, the bill as written came out of the Committee on Foreign Relations without dissent; is that correct?

Mr. FULBRIGHT. That is correct.

Mr. AIKEN. I see no reason why it should not be approved by voice vote.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill (H.R. 5610) was read the third time.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. FULBRIGHT. I yield back the raminder of my time.

Mr. AIKEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H.R. 5610) was passed.

Mr. AIKEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. CHURCH, Mr. AIKEN, and Mr. CASE conferees on the part of the Senate.

STRUCTURE AND REGULATION OF FINANCIAL INSTITUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 141, S. 1798, for the purpose of making it the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1798) to extend for 1 year the authority for more flexible regulation of maximum rates of interest or dividends payable by financial institutions, to amend certain laws relating to federally insured financial institutions.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time agreement on this bill not be effective until tomorrow.

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

Mr. ROBERT C. BYRD. Mr. President, no further rollcall votes are anticipated today.

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.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

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

ORDER FOR RECOGNITION OF SENATORS GRIFFIN AND ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senator from Michigan (Mr. GRIFFIN) be recognized for 15 minutes, to be followed by the Senator from West Virginia (Mr. ROBERT C. BYRD) for 15 minutes.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND LAYING BEFORE THE SENATE S. 1798, THE UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for recognition of Senators tomorrow, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes; at the conclusion of which the Chair lay before the Senate S. 1798, the then unfinished business.

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.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the following Senators, each for not to exceed 15 minutes, will be recognized and in the order stated:

Mr. GRIFFIN.

Mr. ROBERT C. BYRD.

At the conclusion of orders for the recognition of Senators GRIFFIN and ROBERT C. BYRD, there will then be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

At the conclusion of routine morning business, the Senate will proceed to the consideration of the unfinished business, S. 1798, a bill to extend for 1 year the authority for more flexible regulation of maximum rates of interest or dividends payable by financial institutions, to amend certain laws relating to federally insured financial institutions.

There is a time limitation on the bill and on amendments. Yea and nay votes can be expected.

At the hour of 4 o'clock p.m. tomorrow, under the order previously entered by the distinguished majority leader, the Senate will proceed to the consideration of the motion to override the presidential veto of S. 518, to provide that the Office of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate.

A yea-and-nay vote is mandatory under the Constitution and that yea and nay vote will occur at 5 o'clock p.m. tomorrow.

ADJOURNMENT

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 12 o'clock noon tomorrow.

The motion was agreed to, and at 4:05 p.m., the Senate adjourned until tomorrow, Tuesday, May 22, 1973, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate May 21, 1973:

U.S. NAVY

Adm. William F. Bringle, U.S. Navy, for appointment to the grade of admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1973:

FEDERAL POWER COMMISSION

William L. Springer, of Illinois, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1977.

DEPARTMENT OF THE INTERIOR

James T. Clarke, of Michigan, to be an Assistant Secretary of the Interior.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify be-

fore any duly constituted committee of the Senate.)

IN THE AIR FORCE

The following officer, under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Daniel James, Jr. [redacted] FR (major general, Regular Air Force) U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10, of the United States Code:

To be lieutenant general

Lt. Gen. Otto J. Glasser [redacted] FR (major general, Regular Air Force) U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. William J. Evans, [redacted] FR (major general, Regular Air Force) U.S. Air Force.

IN THE ARMY

The following-named officers, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. William Eugene DePuy, [redacted] (Army of the United States), major general, U.S. Army.

To be lieutenant general

Maj. Gen. Donn Royce Pepke, [redacted] (Army of the United States), brigadier general, U.S. Army.

Maj. Gen. Orwin Clark Talbott, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Frank Thomas Mildren, [redacted], Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. Melvin Zais, [redacted], Army of the United States (major general, U.S. Army).

IN THE NAVY

Rear Adm. Merton D. Van Orden, U.S. Navy, to be Chief of Naval Research in the Department of the Navy for a term of 3 years in accordance with title 10, United States Code, section 5150.

Vice Adm. John V. Smith, U.S. Navy, for appointment to the grade of vice admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE MARINE CORPS

First Lt. William D. Rusinak, U.S. Marine Corps for appointment to the grade of captain.

IN THE AIR FORCE

Air Force nominations beginning Robert E. Abraham, to be second lieutenant, and ending John J. Zielinski, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 30, 1973.

Air Force nominations beginning Leroy A. Aafedt, to be lieutenant colonel, and ending Clarence B. Wingert, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on April 30, 1973.

IN THE ARMY

Army nominations beginning Wilmott Abbuhl, to be lieutenant colonel, and ending Hershel B. Webb, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on May 2, 1973.

IN THE NAVY

Navy nominations beginning William Acosta, to be captain, and ending Benedetto R. Lobalbo, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on May 1, 1973.

IN THE MARINE CORPS

Marine Corps nominations beginning Dan C. Alexander, to be colonel, and ending Billy M. Mitchell, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on April 30, 1973.

HOUSE OF REPRESENTATIVES—*Monday, May 21, 1973*

The House met at 12 o'clock noon.

Rev. Jack P. Lowndes, pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

Not by might, nor by power, but by My spirit, says the Lord.—Zechariah 4: 6.

We are thankful, our Father, for Thy guiding spirit in the life of our Nation. We pray for Thy guidance for our leaders now. The burden of our world is great and our hands are small. We are trusting Thee to strengthen the hands and direct the wills of those who serve in this House and all of our leaders.

We confess our confusion and pray that you will help us to see clearly. Give us ability to distinguish between true and false claims and the courage to accept and do the right.

In Thy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6077. An act to permit immediate retirement of certain Federal employees.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 355. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote traffic safety by providing that defects and failures to comply with motor vehicle safety standards shall be remedied without charge to the owner, and for other purposes.

S. 1672. An act to amend the Small Business Act; and

S.J. Res. 114. Joint resolution to authorize and request the President to proclaim the week of May 20–26, 1973, as "Digestive Disease Week."

RESIGNATIONS AND APPOINTMENTS AS MEMBERS OF THE U.S. DELEGATION, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER laid before the House the following resignations as members of the U.S. Delegation, Mexico-United States Interparliamentary Group:

MAY 14, 1973.

HON. CARL ALBERT,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: It is with deep regret that due to important business in Arizona, I must inform you that I will be unable to participate in the Mexico-U.S. Interparliamentary Conference.

Because of the above, I hereby resign as a delegate to the Mexico-U.S. Interparliamentary Group.

Sincerely,

SAM STEIGER.

MAY 15, 1973.

HON. CARL ALBERT,
Speaker, House of Representatives.

DEAR MR. SPEAKER: In view of my inability to participate in the United States-Mexico Interparliamentary meeting in Mexico from May 24–29, I wish to notify you of my resignation of the appointment to the Interparliamentary Group under PL 86–420.

Sincerely,

ROBERT H. STEELE.

The SPEAKER. Without objection, the resignations are accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–420, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the gentleman from Ohio, Mr. BROWN, and the gentleman from Florida, Mr. BURKE, to fill the existing vacancies thereon.

PERSONAL EXPLANATION

Mr. MARTIN of Nebraska. Mr. Speaker, on rollcall No. 132, I am incorrectly recorded as voting "aye." I was present and voted "no."

MANDATORY RETIREMENT FOR MEMBERS OF CONGRESS

(Mr. MARTIN of Nebraska asked and was given permission to address the House for 1 minute, to revise, and extend his remarks and include extraneous matter.)

Mr. MARTIN of Nebraska. Mr. Speaker, I am today introducing a joint resolution proposing an amendment to the