I wish to share with my colleagues the following editorial from the Chicago Daily News, entitled "Setback for Free Speech," and insert it in the RECORD at this time:

SETBACK FOR FREE SPEECH

The scenario at the University of Chicago this week followed the same dismal track seen on many a campus in recent months. Just as a scheduled lecture was about to begin, a band of student protesters took over, shouting, waving banners and hurling insults. The speech had to be canceled.

The speaker in this case was Prof. Edward C. Banfield, a political scientist at the University of Pennsylvania. Without waiting to hear what he had to say, the disrupters branded him a "racist" and free speech at the university suffered another blow.

Similar incidents have occurred at the University of Illinois Circle Campus and at Harvard, Princeton and other schools. The most frequent targets have been psychologist Arthur Jensen and physicist William Shockley, whose controversial views on education and genetics have also been branded "racist." On at least one occasion, a scheduled debate between Shockley and Roy Innes, national director of the Congress on Racial Equality, had to be called off because of threats of disruption.

In most cases the protests have been linked to members of the Students for a Democratic Society (SDS), which long ago forfeited its right to describe itself as "democratic." But whatever radical group or groups are involved, the tactics bear a shameful resemblance to those of the minions of Hitler and Stalin, and have no place on American soil. Their use on a campus dedicated to the free exchange of ideas is especially deplorable.

It isn't necessary to endorse the views of Banfield, Jensen or Shockley to defend their right to express those views. If they have merit, they will win support; if not, they will fall of their own weight. But to shut off debate by violence is the worst possible way to resolve the issue.

Prof. Banfield was charitable about the incident, and said the university had no choice but to be "patient and reasonable." That's the scholarly approach, to be sure. But when a handful of students sets out to subvert the fredom of expression that is the essence of scholarship, there ought to come a limit to patience.

LOS ANGELES POLICE RELAY RUN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. REES. Mr. Speaker, on May 10, 13 Los Angeles policemen will gather on the Capitol steps to begin a 3,820 mile relay run to Los Angeles City Hall.

The officers, representing the Los Angeles Police Revolver and Athletic Club, will make their run in just over 20 days to mark National Police Week, May 12–18.

The runners and 19 other Los Angeles policemen supporting their effort hope that the run will foster better rapport between policemen and the people they seek to protect. The Juvenile Opportunities Endeavor Foundation—JOE—is making arrangements for youngsters in certain cities to run with the police officers to establish better relations between youth and the police.

Among the supporters of this run is Daylin, Inc., a Beverly Hill company, from which grew the JOE Foundation. Daylin and its chairman of the board, Amnon Barness, lent manpower for a major fundraising campaign to underwrite the costs of the run.

Among those who are assisting are Chic Watt, senior group vice president of Daylin; Peter Grant and Ron Reider, director and associate director of communications for Daylin; Hal Phillips, Daylin public relations consultant; and Ruth Frauman, executive director of JOE.

Mr. Speaker, I urge you and the other Members of Congress to be present at 10 a.m., May 10, on the Capitol steps to support and encourage these men as they begin their long journey.

WHISKY MAKING, LEGAL OR OTHERWISE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CARTER. Mr. Speaker, most of my colleagues are aware of Kentucky's traditional association with whisky making, legal or otherwise; and the "otherwise" has been the source of countless stories over the years. I am pleased to include for the RECORD one such story from the book "Joe Creason's Kentucky":

STORY FROM THE BOOK "JOE CREASON'S KENTUCKY"

Charles M. Summers, now a Campbellsville attorney but for years a moonshine whisky still-busting "revenuer" for the Treasury Department, calls attention to a badly deteriorated farm situation that no doubt has escaped the eagle-eye of Congress.

He points out that some industrious farmers who used to run off an occasional batch of moonshine—and who, consequently, he came to know professionally—have stopped making the stuff. And their farm income has suffered drastically as a result. So, he wonders, if some farmers are paid not to raise various crops by taking their land out of production and putting it in the soil bank, why not a similar payment for farmer-moonshiners who take their stills out of production?

It was a conversation in the privacy of his law office that made him aware of the seriousness of this situation. Each year Summers prepares income-tax returns for a number of farm people who once did a bit of moonshining on the side and who were the targets of some of the investigations he used to conduct, usually with his long-time partner Quinn Pearl. This particular day a farmer who had been nailed once years back by Pearl on a raid he missed came into Summers office to have his tax computed.

"Did you make a lot of money farming last year?" Summers asked.

"Naw," the client replied. "I ain't made no money on that farm since Quinn Pearl chopped up my last still!"

RETIREMENT OF WILLIAM S. MAILLIARD

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SISK. Mr. Speaker, I certainly want to join with my colleagues at this time in paying tribute to our departing California colleague, Bill Maillard.

I am especially glad, however, that his retirement from Congress does not mean the loss of his outstanding talents as a public servant. The Organization of American States is now receiving as its ambassador from the United States a man of singular ability in the field of foreign affairs, Bill having served as ranking member of the House Foreign Affairs Committee for so long.

The closeness of the entire California representation in Congress has also benefited by his leadership of the Republican delegation.

Having served with me during my entire service in the House, I can say with all candor that we will miss Bill here but that the country will be richer for his assumption of this new post which is of such importance to the reationships of all the countries of the Western Hemisphere.

SENATE—*Wednesday, April 3, 1974*

The Senate met at 11 a.m. and was called to order by Hon. HUGH SCOTT, a Senator from the State of Pennsylvania.

PRAYER

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

Almighty God, who hast called us to serve the Nation in times heavy with crisis and fraught with peril, strengthen our hearts and minds that we may worthily measure up to the role Thou hast ordained for us. In a world uncertain about many things, make us certain of Thee.

Deliver us, O Lord, from ineptitude and cowardice, from moral paralysis and spiritual inertia. In our day when cleverness often is lifted above goodness and cunning above character, give us the purity of life and honesty of purpose to keep Thy commandments and walk in Thy ways. Use us this day and every day so that at the end each of us may be able to say, "I have kept the faith."

In the Redeemer's name, we ask it. 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).

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 3, 1974.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

Mr. HUGH SCOTT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 2, 1974, 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.

QUORUM CALL

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STEVENSON). The clerk will call the roll.

The 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.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes.

THE PRESIDENT'S VISIT TO MOSCOW

Mr. HUGH SCOTT. Mr. President, some discussion is beginning to arise as to the President's expected visit to Moscow. I do not know the extent of that planning, but I do think that if it is deemed necessary to follow up the work of the SALT II negotiators, to support the efforts of the Secretary of State, to further the advantages of détente, the President should go, and he should go with the full support of the American people.

I believe it is well for us to get back to the old Vandenberg thesis that politics stops at the water's edge, and I think that most Members of Congress feel the same way.

I believe, too, that whatever domestic problems we have and whatever problems the President has at home ought not obscure the search for peace which is the universal desire of mankind. They ought not interfere with the efforts of our Chief Executive to negotiate better relations with any country. Nor should the President be harassed or put in a defensive position by the kind of criticism that would tend to dilute the full impact of his authority in dealing, as Chief of State, with the chiefs of state of other nations.

Before this question boils up into a matter of such national discussion as to have in itself some effect on our foreign policy, all of us should remember that our first duty is to the security of our Nation, to the continued search for peace, and to support all those in whom the people have vested the responsibility for executive action in that direction.

I support what the distinguished senior Senator from New York (Mr. JAVITS) said today, as reported to me, along these lines. I also join in a comment of his that the prerogative—and, more than prerogative, the constitutional obligation—of Congress be kept in mind scrupulously; that if agreements emerge, they shall, if so warranted, be framed in the form of treaties, for the advice and consent of the Senate; or, if in the form major executive agreements, for the concurrence of both bodies of Congress.

The role which Congress plays is constitutional. The responsibilities which Congress has were clearly delineated in the discussions of the Founding Fathers. The confidence of the people in such agreements as are made, looking toward peaceful solutions, is essential; and that can be obtained through the concurrence of Congress and of the President. Therefore, I think we also have a duty not to do anything which would diminish our opportunities in this particular time of our national life.

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

Mr. HUGH SCOTT. I yield.

Mr. MANSFIELD. Mr. President, I compliment the Senator for a very statesmanlike utterance. I agree with him completely; and I hope that what we both say this morning will be taken at face value, because we mean what we say.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

QUORUM CALL

Mr. MANSFIELD. 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. 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.

DEATH OF PRESIDENT GEORGES POMPIDOU

Mr. MANSFIELD. Mr. President, it is with a sense of sadness and regret that I note the death of the President of France, Georges Pompidou.

President Pompidou was the successor to the late, great Charles De Gaulle, who did so much to restore dignity, prestige, and, in a certain sense, power to the Fifth French Republic.

President Pompidou performed extremely well under most difficult circumstances. We in the Senate, on both sides, mourn his passing and express our deepest condolences and sympathy to his family.

May I say that I have always had an especially warm place in my heart for France, because of the fact that if it had not been for the French Army at Yorktown—and they numbered more than the Americans—had it not been for the French fleet off the Virginia capes, had it not been for the French treasury, which in considerable part financed the American Revolution, there might not be a United States of America today.

So it is in tribute to the country and the man who headed that country, who was its Chief of State, that at this time I express the condolences of the Mansfield family personally, and I am sure in conjunction with my distinguished colleague, the Republican leader, the condolences of the Senate as a whole.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I do express on behalf of ourselves and of the Nation the sorrow of the United States at the passing of the distinguished Chief of the French State, Monsieur Pompidou.

We are indebted to the people of France, as the people of France were later, in turn, to become indebted to us.

I would like to see a return to the relations between France and the United States, a renewed spirit of Comte de Rochambeau, and Marie Joseph Paul Yves Roch Gilbert du Motier, the Marquis de Lafayette.

I believe that is possible, whether the successor to Monsier Pompidou be Valery Giscard d'Estaing or Jacques Chaban-Delmas, or whoever it might be.

I do hope that we would be able to put aside our mutual abrasions which occur from time to time and remember that when Monsieur Pompidou was here relationships improved. The majority leader and I were with Monsieur Pompidou at the time of his visit to New York. We regarded him as a great statesman. We express our sincere condolences to his family.

I conclude with the hope that we can find a way to better our relationships with France, because that is important to us, to France, the European Community, and the world.

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

Mr. HUGH SCOTT. I yield.

Mr. MANSFIELD. May I say that we are important, each to the other.

Mr. HUGH SCOTT. That is precisely so.

QUORUM CALL

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

ADDENDUM TO REPORT ON NONMETROPOLITAN PLANNING DISTRICTS

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, four tables on nonmetropolitan planning districts funded by the Department of Housing and Urban Dvelopment (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

DECREASE IN APPROPRIATIONS FOR THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, 1974 (S. Doc. No. 93–69)

A communication from the President of the United States requesting a decrease in fiscal year 1974 appropriations for the Department of Health, Education, and Welfare in the amount of $783,000,000 (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

REPORT ON FINAL DETERMINATION OF CLAIMS OF CERTAIN INDIAN TRIBES

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, its report of its final determinations with respect to the claims in the matters of: James Strong, et al, on behalf of the Chippewa Tribe v. United States; Red Lake, Pembina, and White Earth Bands of Chippewa Indians, et al, v. United States; and Robert Dominic, et al, on behalf of the Ottawa Tribe of Indians v. United States (with accompanying papers). Referred to the Committee on Appropriations.

REPORT ON ADEQUACY OF PAYS AND ALLOWANCES OF THE UNIFORMED SERVICES

A letter from the Assistant Secretary of Defense transmitting, pursuant to law a report on the adequacy of pays and allowances of the uniformed services (with accompanying papers). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the Mayor-Commissioner of the District of Columbia transmitting a draft of proposed legislation to authorize the District of Columbia to enter into the Interstate Parole and Probation Compact, and for other purposes (with accompanying papers). Referred to the Committee on the District of Columbia.

A letter from the Mayor-Commissioner of the District of Columbia transmitting a draft of proposed legislation to provide for the recovery from tortiously liable third persons of the cost of medical and hospital care and treatment, funeral expenses, and salary payments furnished or paid by the District of Columbia, to members of the Metropolitan Police force and the District of Columbia Fire Department (with accompanying papers). Referred to the Committee on the District of Columbia.

REPORT OF THE SECRETARY OF STATE

A letter from the Acting Secretary of State transmitting, pursuant to law, a report relating to foreign assistance, U.S. Government trade and sales transactions, assessed contributions to international organizations, receipts of foreign currency and foreign currency payments returned by the U.S. Government, and exports of arms, ammunition, and implements of war (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORT OF THE NATIONAL ADVISORY COUNCIL ON THE EDUCATION OF DISADVANTAGED CHILDREN

A letter from the Chairman of the National Advisory Council on the Education of Disadvantaged Children transmitting, pursuant to law, the annual report of the Council for fiscal 1974 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

REPORT ON THE 1974 SUMMER YOUTH JOBS PROGRAMS

A letter from the Secretary of Labor transmitting, pursuant to law, the report on the 1974 summer youth jobs programs (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

ANNUAL REPORT OF THE GIRL SCOUTS OF AMERICA

A letter from the National Executive Director of the Girl Scouts of the United States of America transmitting, pursuant to law, its annual report (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

DELEGATION OF AUTHORITY BY THE COMMISSIONER ON AGING

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a plan for the delegation of certain authorities to act by the Commissioner on Aging. Referred to the Committee on Labor and Public Welfare.

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

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to transfer the duties and authority of the Director of the Office of Economic Opportunity to the Secretary of Health, Education, and Welfare, and for other purposes (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. HUGH SCOTT):

A joint resolution of the Legislature of the State of California. Referred to the Commitee on Public Works:

"AJR 73

"Assembly joint Resolution No. 73 relative to Federal parking regulations

"Whereas, The communities of the Los Angeles metropolitan areas are dependent upon automotive travel for business and commerce to a unique degree; and

"Whereas, The Administrator of the Environmental Protection Agency is granted the authority under the Clean Air Act Amendments of 1970 to prescribe and enforce regulations for a national ambient air quality standard, including the imposition of parking fee surcharges and an annual parking tax, in the event an acceptable state implementation plan is not submitted; and

"Whereas, Pursuant to regulations proposed under such authority, no new parking facility with parking capacity for 250 or more motor vehicles, or any parking facility that will be modified to increase parking capacity by 250 or more motor vehicles, may be constructed without first obtaining written approval from the Administrator of the Environmental Protection Agency; and

"Whereas, Such action and other actions for which the agency has grants of authority would have severe and adverse effects upon commerce and travel in the whole of southern California, an area presently, and for a considerable time in the future, lacking adequate mass transportation alternatives to the automobile; and

"Whereas, The authority which has been granted to the Environmental Protection Agency is so broad and of such magnitude that it should be exercised only by an elected legislative body; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memoralizes the President and the Congress of the United States to initiate action to repeal the authority of the Administrator of the Environmental Protection Agency to implement the proposed regulations relative to the construction or modification of parking facilities, or to exercise any other regulatory power regarding parking granted to the Environmental Protection Agency by the Clean Air Act Amendments of 1970, without the express consent of the Congress; and be it further,

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of the Environmental Protection Agency."

A resolution of the House of Representatives of the State of Hawaii. Referred to the Committee on Foreign Relations:

"H.R. No. 267

"House resolution urging the President and Congress of the United States to do all in their power to account for and repatriate the missing-in-action and prisoners-of-war in Southeast Asia

"Whereas, it has been one year since the Cease-Fire Agreement ending United States participation in the Southeast Asia conflict; and

"Whereas, the Cease-Fire Agreement states (Article 8b), that all prisoners-of-war shall be repatriated and all missing-in-action accounted for; and

"Whereas, over 1,200 Americans are still missing and unaccounted for in Southeast Asia; and

"Whereas, forty-four (44) of these men were known to be alive in captivity; and

"Whereas, six (6) of those listed as missing-in-action are Sons of Hawaii; and

"Whereas, the people of the State of Hawaii have expressed great concern over the fate of these men; now, therefore,

"Be it resolved by the House of Representatives of the Seventh Legislature of the State of Hawaii, Regular Session of 1974, that the President and Congress of the United States be urged to do all in their power to account for and repatriate the missing-in-action and prisoners-of-war in Southeast Asia; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States and the presiding officers of the U.S. Senate and House; and

"Be it further resolved that certified copies of this Resolution be transmitted also to

Ms. Dawn Perry, President of POW/MIA Concern, Mrs. Carol Ann Patrick Marino and Mrs. Peggy Strumfels."

A joint resolution of the Legislature of the Commonwealth of Virginia. Referred to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION 51

"Expressing the sense of the General Assembly of Virginia relative to the Hay-Bunau-Varilla Treaty of 1903

"Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

"Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

"Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

"Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe; and

"Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

"Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

"Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

"Whereas, the Canal represents a five billion dollar investment on the part of the people of the United States of America; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States' reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and

"Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Foreign Relations:

"SENATE JOINT MEMORIAL NO. 131

"To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives and to the Senate and House of Representatives of the United States, in Congress assembled, and to the International Joint Commission:

"We, your Memorialists, the Senate and House of Representatives of the state of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The International Joint Commission, established by the treaty of 1909 between the United States and Great Britain to adjust disputes involving the use, obstruction, or division of the boundary waters between the United States and Canada and to adjust other disputes arising along the boundary between the United States and Canada, has been conducting a study of the Point Roberts area, a portion of the state of Washington contiguous to the Province of British Columbia, through a body it has created known as the International Point Roberts Board; and

"Whereas, The Washington state legislature commands the attention of the United States Government to Senate Joint Memorial 69-7 transmitted to the President and Congress in April 1969 requesting formation of a commission to discuss the problems of Point Roberts; however, the specific concerns expressed in that memorial have not been addressed, nor has the continuing participation of all affected and interested parties been realized; and

"Whereas, The Washington state legislature has not been formally invited to participate in the International Point Roberts Board study; and

"Whereas, No political subdivision of the state of Washington or local government thereof has been formally invited to participate in said study, and

"Whereas, The Washington state legislature is now engaged in a formal study of the Point Roberts area, as evidenced by the attached Senate Concurrent Resolution; and

"Whereas, The Washington state legislature is concerned whether the International Joint Commission is acting properly within the scope of its treaty powers by considering a proposal to create an International Park of three thousand square miles which will significantly affect the people of the state of Washington;

"Now, therefore, Your Memorialists respectfully ask that the International Joint Commission discontinue its study of the future of Point Roberts until the authorized county and state agencies complete the land use plan and actions now in process and the Washington State legislature submits any recommendations that may then be deemed appropriate.

"Be it resolved, That copies of this Memorial and its attached Senate Concurrent Resolution be immediately transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, to each member of Congress from the state of Washington and to each member of the International Joint Commission.

"And be it further resolved, That copies of this Memorial and Concurrent Resolution be transmitted to the Prime Minister of Canada and the Canadian Federal Parliament, and to the Premier and the Provincial Parliament of British Columbia."

A joint memorial of the Legislature of the State of Idaho. Referred to the Committee on Commerce:

"HOUSE JOINT MEMORIAL NO. 20

"A joint memorial to the Honorable Senate and House of Representatives in the Congress of the United States assembled

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the Second Regular Session of the Forty-second Idaho Legislature, do hereby respectfully represent that:

"Whereas, the efficiency of engineering and mechanical devices is governed by predetermined laws of science; and

"Whereas, artificial barriers to the most efficient operation of such tools of industry inevitably result in increased costs of operation both in terms of dollars spent and energy consumed; and

"Whereas, the full consequences of such artificial barriers have rarely been given adequate consideration in legislation adopted to impose regulatory standards for operation of such devices; and

"Whereas, few members of Congress possess the expertise to adequately assess the impact of artificial barriers to efficiency; and

"Whereas, as a consequence they adopt laws without fully understanding their impact; and

"Whereas, there are laws now in effect which seriously impair the efficient operation of the engines of science, namely those engines run by steam, gasoline and diesel, to the detriment of the general society as is manifested by the fuel crisis.

"Now, therefore, be it resolved by the Second Regular Session of the Forty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the Congress of the United States to be cognizant of their limitations and to restrain themselves from unnecessary and unwarranted interference with the unalterable laws of nature governing the efficiency of operation of the engines of science, and we recommend to Congress a careful reconsideration of such legislation already enacted.

"Be it further resolved that the Chief Clerk of the House be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and Speaker of the House of Representatives of Congress, and to the Senators and Representatives representing this State in the Congress of the United States."

A concurrent resolution of the Legislature of the State of Indiana. Referred to the Committee on Foreign Relations:

"CONCURRENT RESOLUTION XXXI

"A concurrent resolution memorializing the President and Congress to obtain full disclosure of the actual number of prisoners of war and accounting for servicemen missing in action, and to obtain the prisoners' immediate release

"Whereas, Over one year has elapsed since the hostilities in Viet Nam were ended by treaty; and

"Whereas, Complete return of all prisoners of war, with full disclosure of those missing in action was agreed to in said treaty; and

"Whereas, There are a number of American servicemen missing in action who have not been adequately accounted for; and

"Whereas, Evidence from various reliable sources continues to come to light that a number of American servicemen are still being held prisoner, some under very inhuman conditions: Now, therefore, be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"SECTION 1. In the interest of all Americans we urge the President and Congress to take all appropriate action to obtain the quick release of all remaining American prisoners of war and also to obtain a full accounting of all American servicemen missing in action.

"SECTION 2. The Secretary of the Senate is hereby directed to forward copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, and to all members of Congress from the State of Indiana."

A resolution of the House of Representatives of the Commonwealth of Massachusetts. Referred to the Committee on Commerce:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE PROTECTION OF THE MASSACHUSETTS FISHING INDUSTRY

"Whereas, Valuable coastal and anadromous species of fish and marine life off the shores of the United States are in danger of being seriously depleted and, in some cases, of being extinct; and

"Whereas, Stocks of coastal and anadromous species within the nine-mile contiguous zone and three-mile territorial sea of the United States are being seriously depleted by foreign fishing efforts beyond the existing twelve-mile fisheries zone near the coastline of the United States; and

"Whereas, International negotiations have so far proved incapable of obtaining timely agreement on the protection and conservation of threatened species of fish and marine life; and

"Whereas, There is further danger of irreversible depletion before efforts to achieve an international agreement on jurisdiction over coastal and anadromous fisheries result in an operative agreement; and

"Whereas, It is therefore necessary for the United States to take interim action to protect and conserve overfished stocks and to protect our domestic fishing industry; and

"Whereas, These findings adversely affect the future of the Massachusetts fishing industry and the health and welfare of its people; therefore be it

"*Resolved*, That the Massachusetts House of Representatives respectfully requests the Congress of the United States to enact legislation known as the Studds-Magnuson Bill (H.R. 8665), an act to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry; and be it further

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

A resolution of the Senate of the State of Rhode Island. Referred to the Committee on Banking, Housing and Urban Affairs:

"SENATE RESOLUTION

"Memorializing Congress to urge the Department of Housing and Urban Development to implement and provide funds for section 23—leased housing program in the State and to provide funds for the construction of homes for the elderly

"*Resolved*, That the senate of the state of Rhode Island hereby respectfully memorializes the congress of the United States to urge the Department of Housing and Urban Development to implement and provide funds for Section 23—Leased Housing Program in the state and to provide funds for the construction of homes for the elderly; and be it further

"*Resolved*, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress and to the speaker of the United States House of Representatives and the president of the United States senate."

A concurrent resolution of the Legislature of the State of South Carolina. Referred to the Committee on Interior and Insular Affairs:

"A CONCURRENT RESOLUTION

"*To Memorialize the Congress of the United States to Initiate Necessary Procedures to Provide for an Investigation of an Apparent International Oil Monopoly Which is Doing Great Damage to the Economy of This Country and Causing Great Inconvenience and Hardship to the People.*

"Whereas, this country is suffering from an acute shortage of oil, gasoline and petroleum products related thereto; and

"Whereas, the efforts of the federal agencies concerned with the energy shortage are apparently inadequate to control the production, importation and refining of necessary fuel products for home and industry; and

"Whereas, it is of momentous importance to determine the actual causes of the fuel shortage, and it is the opinion of many that this shortage is a contrived conspiracy of the international oil monopoly.

"Now, therefore, *Be it resolved* by the Senate, the House of Representatives concurring:

"That the General Assembly hereby memorializes the Congress of the United States to initiate necessary procedures to provide for an investigation of an apparent international oil monopoly which is doing great damage to the economy of this country and causing great inconvenience and hardship to the people.

"*Be it further resolved* that copies of this resolution be forwarded to the President of the United States Senate, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Commerce:

"ENGROSSED SENATE JOINT MEMORIAL NO. 134

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The fisheries resource is of paramount importance to the economy of the State of Washington, both for commercial and sports purposes; and

"Whereas, Recent studies indicate that fleets of commercial fishing boats outside the territorial jurisdiction of the state of Washington are taking the great majority of fish which would ordinarily return to the waters of Washington State;

"Now, therefore, Your Memorialists respectfully pray that the Administration and the Congress cooperate in taking immediate action by whatever steps may be necessary to protect this invaluable Washington State resource.

"Be it resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the Honorable Richard M. Nixon, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 17

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The strength, stability and profitability of American enterprise is founded upon the full span of working years of its collective work force; and

"Whereas, Most enterprises have established pension plans, generally funded in large part either by direct employee contributions or by employer contributions in lieu of wages, and predicated upon the principle that long-time service to the nation's commerce and industry merits a measure of economic security upon retirement; and

"Whereas, A 1971 United States Senate subcommittee study indicated that only a small minority among American wage and salary workers enrolled in pension plans is in actual fact eligible for any pension benefits upon retirement; and

"Whereas, Inadequate funding, the absence of vesting, the lack of portability, and the closure of workplaces owing to bankruptcy, obsolescence, or environmental problems all operate to deprive workers of anticipated economic security in old age; and

"Whereas, Despite growing citizen awareness and concern about the serious and sometimes tragic inadequacies of private pension plans throughout the nation, no meaningful protective legislation in this area has yet been enacted by the Congress;

"Now, therefore, Your Memorialists respectfully pray that the Congress enact legislation to consider portability, and require adequate funding, reasonable vesting provisions, insurance against involuntary termination of pension plans, and other appropriate measures to safeguard the hard-earned and richly-deserved pension rights of employees in private industry.

"And be it further resolved, That copies of this memorial be immediately transmitted by the Secretary of State to the Honorable Richard M. Nixon, President of the United States, to the President of the United States Senate, and the Speaker of the House of Representatives, to both the Senate and the House of Representatives of the United States, and to each member of Congress from the State of Washington."

A joint memorial of the Legislature of the State of Washington. Referred to the Committee on Public Works:

"SENATE JOINT MEMORIAL NO. 106

"*To the Honorable Richard M. Nixon, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, to the Senate and House of Representatives of the United States, in Congress assembled:*

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The two cities of Lewiston, Idaho and Clarkston, Washington are the commercial and trading centers of the area and by the 1970 census, including their urban environs, had a combined population in excess of thirty-seven thousand people; and

"Whereas, The cities of Lewiston and Clarkston are presently connected by a single bridge across the Snake River which carries U.S. Highway 12, a federally aided primary route extending from Aberdeen, Washington to Detroit, Michigan; and

"Whereas, Downstream from the two cities the United States Army Corps of Engineers is now constructing the Lower Granite Dam on the Snake River creating a reservoir scheduled for filling in 1975; and

"Whereas, The planned normal pool level of the reservoir will be higher than the normal free flowing high water mark which was the basis for construction thirty-five years ago of the only bridge between the two cities; and

"Whereas, The existing bridge structure would restrict river traffic in view of the size of craft and barges now being used on the river and would necessitate frequent bridge openings; and

"Whereas, On an average day in calendar year 1972 there were twenty-two thousand two-way vehicular trips across the existing bridge; and

"Whereas, With the lift span of the present structure in the open raised position, passage between the two cities is blocked and traffic congestion along U.S. Highway 12 often extends into the metropolitan centers of both cities creating additional traffic problems; and

"Whereas, The comprehensive plan for each city includes a proposal for a second span across the Snake River at sufficient elevation so as not to interfere with normal

navigation in the planned pool behind the Lower Granite Dam; and

"Whereas, Funds for this project are not available from the highway programs of the state of Washington, the County of Asotin, or the city of Clarkston;

"Now, therefore, Your Memoralists respectfully pray that the Congress begin immediate action to appropriate the funds necessary to construct a bridge across the Snake River between the cities of Lewiston, Idaho and Clarkston, Washington.

"Be it further resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and to each member of the Congress from this state."

A resolution of the Legislature of the Trust Territory of the Pacific Islands. Referred to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 1–1974

"A resolution relative to requesting the United States Congress to reimburse the Mariana Islands District Legislature for the funds that it expended for the collection, investigation and presentation of the war claims for the Mariana Islands District

Whereas, in August, 1965, the Mariana Islands District Legislature started its intensive effort to collect, record, investigate and to present to the United States Congress all meritorious claims of the people of the Mariana Islands District; and

"Whereas, the collection of these claims was done between 1965 and 1971 at an out-of-pocket cost to the Legislature of $39,000.00; and

"Whereas, because of this effort, the claims of the people were accurately recorded and preserved for consideration by the Micronesia War Claims Commission that was established under Public Law 39–92; and

"Whereas, since the basic work on the claims has been completed, the Micronesian Claims Commission does not have to spend the funds that have been made available from the United States Congress to duplicate this work, which represents a substantial monetary savings; and

"Whereas, the resources of the Mariana Islands District Legislature are extremely limited and many worthwhile community projects were sacrificed in order to provide funds for the collection of the war claims, which should be refunded for use for the benefit of the people;

"Now, therefore, be it resolved by the 4th. Mariana Islands District Legislature, Third Regular Session, that the United States Congress be and hereby is requested to reimburse the Mariana Islands District Legislature for the funds that it expended for the collection, investigation, and presentation of the War Claims for the Mariana Islands District; and

"Be it further resolved that the President certify to and the Legislative Secretary attest the adoption hereof and thereafter transmit copies of the same to the Chairman of the Appropriations Committee for the U.S. House of Representatives, the Chairman of the Senate Appropriations Committee, the Senate Committee on Interior and Insular Affairs, the Committee on Interior and Insular Affairs for the U.S. House of Representatives, the Honorables Lee Metcalf, Ted Stevens, Quentin N. Burdick, Bennett Johnson, Daniel K. Inouye, Frank E. Moss, Henry Belmon, Philip Burton, Patsy T. Mink, Lloyd Meeds, Spark Matsunaga, and Thomas Foley."

A letter from the Michigan Plant Manager of Dakota BakeNServ, Inc., in opposition to the abandonment of certain rail service in Lower Michigan. Referred to the Committee on Commerce.

A resolution of the Utility Workers Union of America, AFL–CIO, urging passage of the National Health Security Act (S. 3 and H.R. 22). Referred to the Committee on Finance.

A resolution of the Public Affairs Luncheon Club of Dallas opposing the agreement to terminate the Treaty of 1903 and to maintain the present Panama Canal Treaty. Referred to the Committee on Foreign Relations.

A resolution of the Public Affairs Luncheon Club of Dallas, Texas, opposing the Seabed Treaty. Referred to the Committee on Interior and Insular Affairs.

A resolution of the Legislature of Rockland County, New York, relating to the eligibility of a citizen to hold the office of President. Referred to the Committee on the Judiciary.

A resolution of the National Peach Council, Martinsburg, West Virginia, concerning the Occupational Safety and Health Administration. Referred to the Committee on Labor and Public Welfare.

A resolution of the Assembly of the Greater Anchorage (Alaska) Area Borough concerning the initiation of an urban planning study through the U.S. Army Corps of Engineers. Referred to the Committee on Public Works.

REPORT OF COMMITTEE

The following committee report was submitted:

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services, with amendments:

S. 383. A bill to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age sixty (Rept. No. 93–769).

REPORT ENTITLED "EXAMINATION OF PRESIDENT NIXON'S TAX RETURNS FOR 1969 THROUGH 1972"—REPORT OF A COMMITTEE (S. REPT. NO. 93–768)

Mr. LONG, from the Joint Committee on Internal Revenue Taxation, submitted a report entitled "Examination of President Nixon's Tax Returns for 1969 Through 1972," which was ordered to be printed, by unanimous consent.

EXECUTIVE REPORTS OF COMMITTEES

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

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

James L. Mitchell, of Illinois, to be Under Secretary of Housing and Urban Development; and

James W. Jamieson, of California, to be a member of the National Credit Union Board.

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

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

Galen B. Brubaker, of Virginia, and Dennis S. Lundsgaard, of Iowa, to be members of the Federal Farm Credit Board, Farm Credit Administration.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. TALMADGE:

S. 3297. A bill for the relief of Donald Wayne Morrison. Referred to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. WILLIAMS):

S. 3298. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. DOMINICK:

S. 3299. A bill entitled the National Science Foundation Authorization Act of 1975. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK:

S. 3300. A bill to amend the National Housing Act to provide a statutory basis for the continuing administration by Federal Housing Administration of the standard risk programs under such Act. Referred to the Committee on Banking, Housing and Urban Affairs.

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

S. 3301. A bill to amend the act of October 27, 1972 (Public Law 92–578). Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT (for himself, Mr. MANSFIELD, Mr. STENNIS, Mr. THURMOND, Mr. HUMPHREY, Mr. GOLDWATER, Mr. ROBERT C. BYRD, Mr. GRIFFIN, and Mr. TAFT):

S.J. Res. 202. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 3298. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

OPPORTUNITIES FOR ADOPTION ACT OF 1974

Mr. CRANSTON. Mr. President, it is most fitting that we are introducing today, shortly after the fourth North American Conference on Adoptable Children met here in Washington, S. 3298, the proposed "Opportunities for Adoption Act of 1974." Joining with me in introducing the bill are the distinguished chairman of the Committee on Labor and Public Welfare (Mr. WILLIAMS) and the chairman of the Labor Committee's Subcommittee on Children and Youth (Mr. MONDALE). S. 3298 would add a new title XIV—adoption assistance programs—to the Public Health Service Act. It is designed to promote

the health and welfare of children in need of adoption by:

Encouraging States to subscribe to uniform adoption regulations so that legal and jurisdictional obstacles to adoption might be eliminated;

Encouraging States to enter into adoption assistance agreements with adoptive parents so that financial obstacles to adoption might be alleviated; and

Providing for the establishment of a National Office of Adoption Information and Services to insure quality standards for adoption services and postadoption counseling.

Mr. President, the need for this legislation is clear. It is estimated by informed sources that there are at least 60,000 infants awaiting adoption nationwide and an additional 110,000 children waiting in foster homes or in institutions because they are in legal limbo, are physically or mentally handicapped, or are otherwise difficult to place, due to their age or racial background. The tragedy of the adoption situation today is that the adopting public remains mostly white, wedded to the idea that adoption means a healthy white infant, whereas only about 20,000 of those included in the estimate of 170,000 children waiting fall into this category.

The legislation we offer today, Mr. President, is thus intended to benefit these 150,000 hard-to-place children. There are 7,800 to 8,600 in foster homes in California alone.

In introducing S. 3298 we are not attempting to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, we are attempting to give leadership for the implementation of a plan of action, involving concerned agencies and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of so many thousands of children.

In 1971 the Children's Bureau granted funds to the Child Welfare League of America for a project designed to identify the specific legal and policy provisions and practices that constitute common impediments to adoption. The study, undertaken by Roberta Hunt for the League's Research Center and entitled "Obstacles to Interstate Adoption," examines the varying and sometimes conflicting ways in which the States strive to achieve both socially desirable and legally incontestable adoptions.

Among the obstacles she summarizes are the following:

First. Conflicting termination or relinquishment proceedings among and even within States which result in a situation where the adoption of a child in one State would not be recognized as valid were the family to move to another State.

Second. Local emphasis of laws and policies restricting the right to consent to adoption to executives of local agencies, thereby prohibiting the transfer of guardianship from State to State. This results in a situation where adoptive parents must go to the State of the child's origin to file a petition. And in some States, laws restrict the filing of petitions to residents of that State.

Third. Conflicting State laws and policies regarding the termination of guardianships: The laws of one State making no provision for the termination of guardianship except in proceedings for adoption; the laws of another State requiring such termination even before the adoptive placement is made.

Fourth. Diversity in State adoption laws on the question of when an adoption decree may be granted.

Fifth. The existence of "importation and exportation of children" laws in some States which, while enacted to provide safeguards for the children, constitute an obstacle to interstate adoption since the original purpose of these laws was to block the movement of children across State lines.

Sixth. The absence of uniform or coordinated interstate adoption assistance policies, for expenditures such as transportation, especially where older children are involved and preliminary visits across State lines are needed. In addition, the diverse provisions for subsidizing unusual adoption costs present obstacles to interstate adoption. For example, where a family in a State having adoption subsidy arrangements adopts a hard-to-place child from another State, that family will often be ineligible for subsidy assistance unless the other State also has a subsidy arrangement.

In her report, Ms. Hunt also suggests possible solutions to these obstacles, but concludes by citing the need for leadership in implementing a plan of action toward those solutions. Our bill attempts to promote this leadership.

Section 1401 of the proposed new title provides for the establishment within HEW of a "Committee on Uniform Adoption Regulations" to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations which would facilitate the finding of suitable adoptive homes for children. The committee would be composed of representatives of national, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, as well as the Chief of the Children's Bureau in HEW.

Section 1402 of the proposed new title would provide Federal grants to States for the purpose of assisting them in meeting certain adoption costs. The grants would be available only to those States implementing programs consistent with the regulations proposed by the committee and finalized by the Secretary within 24 months after enactment of this bill. In this way, the bill is designed to provide an incentive to States to review their adoption laws and policies and make them consistent with uniform regulations aimed at alleviating the barriers to interstate adoption.

But the adoption assistance grants to States, Mr. President, are vitally important in themselves. They would be made available in the respective States to State agencies principally responsible for services to families and children. These agencies would then allocate funds to public and private nonprofit agencies meeting certain standards of quality, the establishment of which are required by the bill. Funds under this act could be used to—

First. Assist agencies in meeting certain costs involved in the adoptive placement of children with special needs—defined in the bill as individuals between the ages of birth and 18 years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments—including age—to their adoption, or children for whom an adoptive placement has not been made within 6 months after such child is available for adoptive placement.

Second. Assist agencies in meeting costs of providing prenatal and postpartum services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, but only to the extent that there are not alternative sources of bearing the costs of such services readily available under other Federal or State programs in the community, such as medicaid, maternal and child health services, or neighborhood health centers. We believe this provision is important, Mr. President, for two reasons. First, it would provide expectant mothers, who do not feel able to raise their offspring, the financial assistance needed to carry their pregnancies to term, while better assuring them that their offspring will be placed in the healthy and beneficial adoptive situation afforded by agency adoptions. Such women might otherwise feel no alternative but to resort to abortion or to infant adoption black marketeers. Second, this provision would relieve agencies of some of the costs they now bear for such purposes and enable them to direct their limited resources to furthering the placement for adoption of children with special needs.

Mr. President, the developing tide of grey and black market adoptions in these times of declining birth rates was discussed last year in a New York Times feature article of February 20, 1973, by Judy Klemesrud, in which she presented an in depth analysis of this growing problem, which I will ask to be printed in the RECORD at the conclusion of my remarks.

Third. Assist agencies in meeting costs of providing professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to help them provide a supportive and healthy family environment;

Fourth. Provide assistance directly to adoptive parents in defraying the costs of special services to children required as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State were it to provide them as the guardian of these children. These special services are defined in the bill as including medical, dental, surgical, physical therapy, and psychotherapy services, and other serv-

ices necessary for the well-being of the child; and

Fifth. Provide assistance directly to prospective adoptive parents, who would consider adoption but for their economic inability to meet a child's needs, in defraying the postplacement and post-adoption costs of supporting children with special needs, in amounts of assistance determined by the Secretary to be adequate to enable them to assume the responsibility for raising such children.

Thirty States and the District of Columbia have enacted forms of so-called adoption subsidy legislation which include provisions incorporating the areas of support I have just discussed. Mr. President, I will ask that a list of those States be printed at the conclusion of my remarks.

Mr. President, in addition, I would like to point out that we have included a provision in the bill—section 1402(c)—requiring the Secretary to take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

Mr. President, subsidized adoption has proven to be much less costly than institutional care, and in many instances, less costly than long-term foster care. Under either of these alternatives, the obligation of the State as guardian to support the child will generally continue until the child is 18.

Cost-effectiveness aside, however, Mr. President, the major importance of the concept of assisting adoptive parents in meeting special costs associated with adoption is that such assistance has proven to be vitally helpful in alleviating the difficulty of finding permanent homes for children with special needs and giving these children identification with their own mom and dad.

My own State of California has a successful adoption assistance program carried out pursuant to a bill named for its author, my good friend, State Senator Mervyn Dymally. By 1973, 704 children with special needs had been placed in permanent adoptive homes in Los Angeles County alone. The county estimates it saved nearly $8 million just in 1970 and 1971 by removing children from foster homes and placing them in adoptive homes. Here are two examples of the value, in human and cost-effectiveness terms, of the Los Angeles County program.

Jerry, who is now 8, was born with a brain dysfunction. He also suffers from myopia, hearing loss, and congenital heart disease. Jerry lived in various foster homes in Los Angeles County until he was finally placed for adoption in February 1973 by the Los Angeles County Department of Adoptions.

The family who adopted him has one child of its own and is giving Jerry the love and special attention he especially needs because of his physical and learning handicaps. They are getting $137 a month from the county for 3 years to help them correct some of Jerry's problems.

This compares with the $189 a month the country spent and would have had to continue spending for 10 more years until Jerry was 18 in order to keep him in foster homes. The total savings to Los Angeles County will amount to $19,080.

Debby, 4, had been in a foster home. She and her 5-year-old brother, Jim, who was living in another foster home, were adopted by the same family. Since their new father was only irregularly employed in the construction business and Jim needed special therapy, Los Angeles County paid the family $126 a month for Jim's medical care for a year.

If both children had remained in foster homes until they were 18, it would have cost the county $150 a month per child. This subsidized adoption enabled the county to save $47,088.

The net savings, after subtracting the foster home payments and the adoption assistance payments, to the county from these two cases alone is $66,168.

I will also ask to print in the RECORD, at the conclusion of my remarks, Mr. President, a most impressive and succinct report on the benefits of subsidized adoption prepared for the Illinois General Assembly. The case histories included in this report speak for themselves in providing a convincing justification for the concept of adoption assistance grants.

Finally, Mr. President, section 1403 of the proposed new title provides for the establishment of a National Office of Adoption Information and Services in the Children's Bureau of HEW's Office of Child Development. The Office would be the principal agency for carrying out the provisions of the new title.

The Director of the Office would be charged with the responsibility of conducting an educational program on adoption, evaluating and measuring the impact of the programs authorized by the new title, and ensuring that adoption agencies receiving assistance authorized under the new title subscribe to standards of quality which he would prescribe. The office would also provide for, directly or by contract or grant, the operation of a national adoption information exchange system to assist in the location of children in need of adoption and in placing them in healthy adoptive homes. A similar provision was included in the Senate-passed version of H.R. 3153—section 141—of the Social Security Amendments of 1973 now pending in conference.

I shall include the full text of S. 3298 in the RECORD at the conclusion of my remarks, Mr. President, but before I do so, I wish to acknowledge the many groups and individuals who have generously responded to our requests for assistance and information in our efforts to develop this legislation. They include staff members of the Child Welfare League of America, the American Academy of Pediatrics, the American Public Welfare Association, the National Conference of Commissioners on Uniform State Laws, the National Conference of Catholic Charities, the U.S. Children's Bureau, Julian K. Brantley of the Children's Home Society of California, Dorothy C. Williamson, former Chief of Adoption Services, San Bernardino County, California Welfare Department; and Walter A. Heath, Director, Department of Adoptions, county of Los Angeles. Their advice and constructive suggestions have been invaluable, and I am most grateful for their cooperation.

I intend to work closely with my good friend and colleague on the Labor and Public Welfare Committee (Mr. MONDALE), who serves as chairman of the Committee's Subcommittee on Children and Youth, on which I also serve. I am hopeful that we can move ahead promptly in the Subcommittee to schedule hearings on S. 3298 so that it can move swiftly through the legislative process.

Enactment of this legislation, Mr. President, would serve to benefit those in our Nation most deserving of our attention—the homeless children who have no alternative but to look to all of us for their future.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of S. 3298, followed by the list of States with adoption subsidy laws, the New York Times article, and the Illinois General Assembly Report on Subsidized Adoption.

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

S. 3298

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 "Opportunities for Adoption Act of 1974".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—ADOPTION ASSISTANCE PROGRAMS

"FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1400. The Congress hereby finds that many thousands of children from birth through minority remain in institutions or foster homes because of legal and other obstacles to their placement in permanent adoptive homes; that adoption is usually most conducive to the health and welfare of such children; and that there is an even greater number of persons seeking to adopt who are unable to do so because of the scarcity of infants and children without obstacles to their placement. It is, therefore, the purpose of this Act, in order to promote the public health and welfare, to facilitate the elimination of obstacles to adoption, and to locate children in need of adoption and facilitate the placement in permanent adoptive homes of such children, particularly children with special needs, by—

"(1) promoting the establishment of uniform adoption regulations in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption;

"(2) providing Federal financial assistance to States for the purpose of assisting certain public and private nonprofit agencies and certain adoptive and prospective adoptive parents in meeting certain costs of adoption in order to remove or alleviate the financial obstacles which present serious barriers to adoption by qualified persons; and

"(3) providing for the establishment of a National Office of Adoption Information and Services in the Department of Health, Education, and Welfare to (A) ensure quality standards for adoption services (including pre-placement and post-placement and post-adoption counseling and standards to protect the rights of children in need of adoption) and (B) provide for a national adoption information exchange system.

"COMMITTEE ON UNIFORM ADOPTION REGULATIONS

"SEC. 1401. (a) The Secretary shall appoint a Committee on Uniform Adoption Regulations (hereinafter referred to as the 'Committee') to be composed of representatives of National, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, and the Chief of the Children's Bureau in the Office of Child Development, Department of Health, Education, and Welfare, or his designee.

"(b) The Committee shall—

"(1) review current conditions, practices, and laws relating to adoption, with special reference to their effect on facilitating or impeding the finding of suitable adoptive homes for children and the completion of suitable adoptions;

"(2) propose to the Secretary uniform adoption regulations which would facilitate adoption; and

"(3) report its proposals to the Congress and the President not later than 18 months after the date of enactment of this section.

"(c) Following receipt of the Committee's proposals, but not later than 24 months after the date of enactment of this section, the Secretary shall publish the proposed uniform adoption regulations in the Federal Register for comment and, after soliciting and giving due consideration to the comments of interested individuals, groups, and organizations and consulting further with the Committee, he shall issue and publish final uniform and he shall issue and publish final uniform adoption regulations which shall apply in the administration of the grant program established pursuant to section 1402. Nothing in such uniform adoption regulations shall be deemed to conflict with the provisions of any interstate compact in operation pursuant to which States are making, supervising, or regulating placements of children, and no State shall be denied a grant under section 1402 because of its participation in or implementation of any such compact.

"(d) Members of the Committee, other than those regularly employed by the Federal Government, while serving on business of the Committee, shall be entitled to receive compensation at a rate not in excess of the daily equivalent of the rate payable to a GS-18 employee under section 5332 of title 5, United States Code, including traveltime; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently.

"GRANTS FOR ADOPTION ASSISTANCE AND SERVICES

"SEC. 1402. (a) The Secretary, in accordance with regulations which he shall prescribe, shall make matching grants to States for allocation, by State agencies principally responsible for services to families and children, to public and private nonprofit adoption agencies which meet standards of quality prescribed pursuant to section 1403(b) (3) for the purpose of assisting—

"(1) such agencies in meeting the cost involved in the adoptive placement of children with special needs (including locating suitable homes and providing preplacement and post-placement and post-adoptive counseling to children in need of adoption and to prospective and actual adoptive parents);

"(2) such agencies in meeting the cost of providing prenatal and postpartum services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, in order to protect the health and welfare of both the mother and child; but only to the extent that assistance under other Federal or State programs in the community in question is not readily available to provide adequately for such services;

"(3) such agencies in meeting the cost of providing for professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to assist them in providing a supportive and healthful family environment;

"(4) adoptive parents in locating and, where appropriate, defraying the cost of, post-placement and post-adoption special services to children requiring such services as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State in question were it to provide or secure such services as the guardian of such children; and

"(5) prospective adoptive parents, who would consider adoption but for their financial inability to meet a child's needs, in defraying the post-placement and post-adoption cost of supporting children with special needs, in amount of assistance determined by the Secretary to be adequate to enable such adoptive parents to assume responsibility for raising such children.

"(b) The Secretary, in cooperation with State agencies principally responsible for services to families and children, shall, in carrying out the provisions of clauses (4) and (5) of subsection (a) of this section, insure that the requirements of this subsection are met.

"(1) Annual reviews of the need for continuing such assistance shall be made. At the time of such review and at other times during the year when changed conditions, including variations in medical opinions, prognosis, and costs are deemed by the State to warrant such action, appropriate adjustments in assistance payments may be made based upon changes in the needs of the child. Any parent who is a party to an adoption assistance agreement may at any time in writing request, for reasons set forth in the request, a review of the amount of any payment or the level of continuing payments. To the extent not inconsistent with the applicable law of the State in question, (A) such review shall be begun not later than thirty days after the receipt of such request; (B) adjustment in the amount of assistance provided may be made retroactive to the date the request was received by the State agency; and (C) if the request is not acted upon within thirty days after it has been received by the State agency, or if the State agency modifies or terminates an agreement without the concurrence of all parties, any party to the agreement shall be entitled to a hearing under the applicable provisions of the State administrative procedure regulations.

"(2) Assistance pursuant to clauses (4) and (5) of subsection (a) of this section shall be made only pursuant to an adoption assistance agreement entered into by the State agency principally responsible for services to families and children and the adoptive parents concerned prior to completion of the adoptive process. Such agreement may provide that assistance payments may be made before such adoption becomes final.

"(3) In determining the appropriate amount of assistance to be provided pursuant to clauses (4) and (5) of subsection (a) of this section, due consideration shall be given to the recommendations of any adoption agency eligible for assistance under this section and presently supporting a child with special needs in foster care or institutional care, and any foster parent having such a child in his home.

"(4) A system shall be established in such State under which, with respect to a child who has been in foster care in such State for at least six months after such child is considered legally available for adoptive placement, the foster parents providing care to such child will be notified of the possibility of the financial assistance for adoptive placement authorized by this section. If such parents wish to file application to adopt the child and are found, after study, to be appropriate adoptive parents for the child but for their financial inability to meet the child's needs, they shall be provided all necessary assistance in completing the legal and procedural requirements necessary to effectuate adoption, and appropriate assistance, including payment for legal fees and court costs, pursuant to an adoption assistance agreement.

"(c) The Secretary shall take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

"(d) The Secretary, in carrying out the provisions of subsection (a) of this section, shall ensure that at such time as the final uniform regulations referred to in subsection (c) of section 1401 are published in the Federal Register, only States adopting and implementing, within an appropriate period of time which he shall determine, programs consistent with such regulation shall remain eligible for grants under this section.

"(e) For the purposes of this title—

"(1) the term 'children with special needs' means those individuals between the ages of birth and eighteen years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments (including age) to their adoption, or children for whom an adoptive placement has not been made within six months after such child is available for adoptive placement;

"(2) the term 'adoptive parents' includes single persons able to meet the developmental needs of prospective adoptive children;

"(3) the term 'special services to children' includes such medical, dental, surgical, physical therapy, psychotherapy, and other services as are necessary for the well-being of the child; and

"(4) the term 'State' means the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"ESTABLISHMENT OF THE NATIONAL OFFICE OF ADOPTION INFORMATION, AND SERVICES

"SEC. 1403. (a) There is hereby established in the Children's Bureau of the Office of Child Development of the Department of Health, Education, and Welfare a National Office of Adoption Information and Services (hereinafter referred to as the 'Office') which shall be headed by a Director (hereinafter referred to as the 'Director') who shall be appointed by the Secretary upon the joint recommendation of the Director of the Office of Child Development and the Chief of the Children's Bureau. The Office shall be the principal agency for carrying out the provisions of this title.

"(b) It shall be the duty of the Director, in accordance with regulations which he shall prescribe, to—

"(1) conduct a continuous educational program on adoption and to prepare, publish, and disseminate to all interested parties, private and public agencies and organizations and governmental bodies educational materials regarding adoption and adoption assistance programs;

"(2) measure and evaluate the impact of the programs authorized by this title and, not later than 90 days after June 30 of each year, prepare and submit to the Secretary for transmittal to the President and the Congress a report on such evaluation, which shall include, but not be limited to (A) the number of children placed in adoptive homes under adoption assistance agreements during the year preceding the annual report and the major characteristics of such children; and (B) the number of children currently in foster care for six months or more, and the legal status of such children;

"(3) ensure that adoption agencies receiving assistance authorized under this title subscribe to standards of quality, which he shall prescribe, for adoption services (including pre-placement and post-placement and post-adoption counseling and standards to protect the rights of children in need of adoption) and comply with the requirements of title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d); and

"(4) notwithstanding any other provision of law, provide for the operation of a national adoption information system, utilizing computers and modern data processing methods, to assist in the location of children in need of adoption and in the placement in adoptive homes of children awaiting adoption, and for the promotion of cooperative efforts with any similar programs operated by or within any State or foreign country.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1404. There are authorized to be appropriated for the fiscal year ending June 30, 1974, and the succeeding three fiscal years, such sums as may be necessary to carry out the purposes and provisions of this title."

STATES WITH ADOPTION SUBSIDY LAWS

California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucy, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Washington (State), Wisconsin.

[From the New York Times, Feb. 20, 1973]

ADOPTION COSTS SOAR AS BIRTHS DECLINE

(By Judy Klemesrud)

Childless New York couples, made desperate by the current shortage of healthy white infants, are turning to the legal but often expensive field of private adoption.

In this nonagency procedure—widely known as the "gray market"—lawyers arrange for couples to acquire a baby at a total cost, including legal and medical expenses, that may range as high as $25,000. Although the procedure is legal in all but two states (Connecticut and Delaware), critics have questioned the high costs.

Behind the baby shortage lie the pill and other modern contraceptive devices, liberalized abortion laws and the lessening of the stigma once attached to unwed motherhood.

The adoption agencies, which once were able to provide a steady stream of white infants at fees ranging from $500 to $2,000, have found that their sources have virtually dried up. A result: Waiting lists of from three to five years for a baby.

The agencies have shifted their emphasis to children who used to be classified as "hard to place": They are either black or of mixed race, over the age of 2, or physically handicapped. The Children's Bureau of the United States Department of Health, Education and Welfare estimates that 60,000 of these children are now available for adoption, 1,050 of them in New York City.

"Gray market" adoption differs from "black market" adoption—which is illegal—in that the black market involves bypassing legal procedures to directly sell a child for something of value (usually money), or it involves outright fraud—such as the falsification of a birth certificate.

But what both the "gray" and "black" procedures boil down to is the ability to pay. And generally, the fees are sky high.

"There is no law about legal fees—we can charge any fee that we want to," said Walter Lebowitz, a Miami lawyer who was acquitted there last November on charges that he sold an infant to a couple for $7,000—$5,500 in legal fees and $1,500 in medical expenses.

The judge ruled that the case was a legal adoption and that the fees were all legitimate adoption expenses. Since then Mr. Lebowitz has written 200 pages of a book about himself and the case, with the working title of "The Baby Seller." He hopes that it will become a best seller.

And what does he define as a black market adoption? "Oh, we recently had one of those in Florida," he replied. "A lady sold her baby for a car. Now that's clearly black market."

In private adoption (known as "independent adoption" in some states), a couple generally go to an adoption lawyer who is either already in touch with a pregnant woman or knows other lawyers who may be. (There is a group of about 40 lawyers across the country who frequently work together.) The couple then agree to pay the mother's medical expenses and all legal fees. Of course, the use of a second lawyer raises the cost. In any event, the total ranges from $3,000 to $25,000.

Once the mother officially relinquishes the baby in court, adoptive parents in New York are investigated by the city and the report is turned over to either Surrogates or Family Court, which have the final say on whether the adoption will be permitted. Court approval means the parents will receive a birth certificate in their name and that the original certificate will be locked away.

In agency adoptions, the agency does all of the investigating—before the baby is given to the couple. With private adoptions, the city investigation comes after the placement and is much more cursory.

The private placements, however, are rarely turned down. "We have to find something really drastic for that to happen," a city investigator said.

According to Joseph M. Reid, executive director of the Child Welfare League of America, a total cost of $10,000 for a baby involved in a "gray" or a "black" procedure is becoming "rather normal."

"What we're hearing about these days are $25,000 babies," Mr. Reid said. "This is a very serious situation and one that may develop into a very critical one.

"The baby business is expanding rapidly all over the country, judging from what people in the child welfare field are telling me," he added. "These profiteers are using any method they can, including hiring someone on a campus to keep an eye out for pregnant girls, hiring someone to watch maternity homes for new arrivals—and even accosting doctors, lawyers and social workers for the names of pregnant girls."

There is very sketchy evidence available as to the extent of such adoption abuses as sky-high fees, falsification of records, illegal payment to mothers and blackmail following some illegal transactions. Court cases such as the one involving Mr. Lebowitz are rare, although district attorneys in New York and Miami, where many of the shadier dealings occur, said "investigations" in this area were now under way.

In New York, selling babies is a Class A misdemeanor, punishable by a one-year jail sentence and a $1,000 fine for each act. In Florida, it is a felony, and the offender faces a fine of up to $5,000 and up to 5 years in prison.

"You rarely find prosecution in this area," Mr. Reid said, "because it is a very messy situation. There is a baby involved, and a family involved, and they generally don't want to testify."

Nationally, the percentage of private adoptions compared with agency adoptions has held steady over the years, even though the total number of adoptions is rapidly declining due to the baby drought.

In 1970, the last year for which Government figures are available, 69,600 children were adopted through agencies and 19,600 were adopted privately. In New York State, the figures for 1971–72 were 4,457 agency placements and 1,637 private placements.

Ten New York area couples who were interviewed about their experiences with private and black market adoptions all vehemently refused to have their names used, for fear of cutting off their contacts for future adoptions, or because they feared that the children they had already adopted in this manner might somehow be taken away from them.

Here are some of their stories:

A Brooklyn Heights couple learned through a lawyer friend of a man who allegedly had a steady supply of white babies born of prostitutes. The man visited the couple at their home a few nights later and said he knew of two babies who would be born in a few months.

If the couple agreed to his $5,000 fee, he said, one of the pregnant women would check into a hospital under the name of the Brooklyn Heights wife, and the baby's birth certificate would bear the couple's names. No adoption proceedings would therefore be necessary. The couple pondered this highly illegal offer for an hour, then dismissed it as "sordid."

An East Side couple in their early 40's, who had been rejected by an adoption agency as being "too old" to adopt, received a telephone call one evening. It was from a Manhattan lawyer whom they had never met, or even heard of.

"I may be able to help you," he said, sympathetically. "If you like, I will mail you photographs of some handsome single young men and beautiful single young women. For $10,000, you can choose the couple you want to make the baby for you." At last report, the couple were still considering the offer.

A Jewish couple from the Caribbean decided they wanted that rarest commodity in the baby market—a Jewish baby. So they called a Miami lawyer and said that money was no object. A few days later they flew to Miami with $12,000 in cash and flew home the same day with the baby.

Several of the couples who have adopted privately spoke highly, almost reverently, about their lawyers, and said they would have no hesitancy about going through the process again.

"The only thing that bothered me was the $700 that was unaccounted for in our adoptions," said a Westchester County woman who, with her husband, adopted two babies privately through a Manhattan lawyer before the market dried up. (Each adoption cost around $2,500, including legal and medical fees.) "But my husband says that's the way you play this game," she added.

Other lawyers, such as Helen Hope of Mi-

ami, a former airline stewardess who is one of about 10 Miami lawyers who specialize in private adoptions, send itemized lists to their clients showing every single expense in the adoption.

When does the cost of a private adoption become "excessive"? Observers of the adoption field say anything more than $1,000 for the lawyer and a total cost of more than $3,000 is questionable, with certain exceptions. Sometimes, for example, the cost can soar much higher due to unexpected medical expenses. A New Jersey couple who had planned to pay $3,000 wound up paying $6,500 because the mother required extensive surgery following the birth of her baby.

Lawyers hear of babies in several ways: Referrals from obstetricians and abortion counselors, who, lawyers say, often get kickback fees; contacts on college campuses; from the pregnant woman or her family, and from prospective adoptive couples who find pregnant women through their own sources.

Among the better known adoption lawyers in New York are Joseph Spencer, of 545 Fifth Avenue, who is sometimes called "the dean of private adoption"; Terry Milburn, who works out of her home at 670 West End Avenue; Stanley B. Michelman, of 250 West 57th Street, whose specialty is babies born in this country of visiting German and Austrian mothers; Leonard N. Tarr, of 40 Exchange Place, whose babies are sometimes called "Tarr babies," and Emanuel H. Pavsner, of 630 Third Avenue.

Mr. Tarr, who was also a stockbroker, could not be reached for an interview. He is serving the eighth month of a two-year prison sentence in the Federal Correctional Institution in Danbury, Conn., for perjury in a Securities and Exchange Commission case. He will be paroled March 7.

Mr. Pavsner received a three-year suspension last March from the Association of the Bar of the City of New York for "converting to his own use" money he received as a guardian for two elderly men designated as "incompetents." The sums involved were $17,690 and $17,887, according to bar association records.

Mr. Pavsner, who is still arranging adoptions, was one of three Manhattan lawyers who were visited recently by a New York Times reporter and a male friend who were posing as a prospective adoptive couple.

At the meeting, which was held on a Saturday morning, the day after the initial telephone conversation, Mr. Pavsner told the couple that for $10,000 they had a good chance of getting a baby by the end of February. He did not mention his suspension, but said that another lawyer would handle the court proceedings.

The parents, he said, were an 18-year-old Jewish girl and a 19-year-old Protestant boy, both college students from middle-class backgrounds. He said the girl did not know she was pregnant until it was too late for an abortion.

Mr. Pavsner, a modly dressed man in a navy turtle-neck and a goatee, spent 20 minutes taking a thorough written biography of the couple, including detailed information about their financial status. Then he said that if the couple were interested, they would have to pay him $10,000, which would be put in escrow in case the baby was not perfect.

"If the baby has any defects or is a mongoloid," he told the couple, "you will get the next available baby."

Mr. Pavsner said that both the couple and the pregnant girl and her family would be given each other's names—which is in opposition to agencies' policies of strict anonymity—and each would have the right to decide on the other's qualifications.

Mr. Michelman, the second lawyer who was visited, told the couple that for approximately $6,200 he could probably arrange for them to have a baby within six to eight months. The mothers he deals with, he said, are German and Austrian girls who are found by his associates in Europe.

"The mother flies to New York in her ninth month and is housed in a private home until she gives birth at Flower and Fifth Avenue Hospitals," he said. "I work with three German-speaking doctors there, and they give the girls excellent care."

Mr. Michelman said he had arranged 45 similar adoptions, and that, so far, only one woman had decided to keep her baby and take it back to Europe.

He said his portion of the $6,200 would be $2,250. "I know that's a lot of money for an hour's paper work and two court appearances," he said, "but we do take very good care of the girl while she's here."

When the couple called Joseph Spence, they were told that he would be unable to see them before the end of March, and that he charged $100 for an hour's consultation. He added that the "situation was grim," and that the couple would probably have to wait two years for a baby.

However, when the "husband" indicated that money was no object, Mr. Spencer told him, "Well, I do take certain cases in my home in Jackson Heights." An appointment was set for the following week in his office.

Two days later, Mr. Spencer called the couple and told them that a Philadelphia lawyer, who usually handles babies from Greece, Italy and Yugoslavia, knew of a white American infant who was about to be born. The cost was $9,500, plus an additional $2,500 fee for Mr. Spencer.

"If you're not interested," Mr. Spencer said, "we can still have the meeting in my office on Monday." The appointment was confirmed the next day by letter, which informed the couple that Mr. Spencer's fee for an hour's consultation had risen to $250. The couple canceled the appointment.

The following week, Mr. Spencer was interviewed in his office by the reporter, who he did not know was a member of the couple who had seemed so eager to adopt a baby.

The lawyer, a wizened man with a full head of silver hair, refused to discuss his fees, saying only that "when you go to the best, you pay more. That's why Louis Nizer can command $5,000. That's why I get more than other people."

Mr. Spencer said he abhorred the practices of certain profiteering lawyers whom he called "buccaneers," but said he often dealt with them when his clients desperately wanted a baby and agreed to pay their inflated fees.

"Money talks in this business," he said. "It's gotten to the point where babies that are supposed to go to my clients are being snatched right out from under our noses for more money. There's a terrific hunger out there, and the people who will suffer are those in the $15,000–$16,000 bracket or less, because they'll never be able to afford to adopt—unless they have wealthy parents."

Mr. Spencer said that even though it was illegal, he thought there was nothing wrong with an adoptive couple giving a gift of money to the mother for her baby in addition to legal and medical expenses. The way to circumvent the law in this case, he said, is to give the mother $750 to $1,000 "for living expenses."

"I feel philosophically that a mother who is doing this noble thing should be rewarded for her pain and suffering," he said.

Many child welfare experts say the only answer to adoption abuse is to put all adoptions in the hands of agencies. Such a situation now exists in Connecticut and Delaware, and similar legislation has been introduced but defeated in recent years in Florida and California.

"The all-agency system has been absolutely successful in preventing independent adoptions in Connecticut," said Robert Budney, that state's chief of adoption and unwed mother services. "About a dozen couples try to arrange independent adoptions a year, but that's only because they're ignorant of the law."

The system has been in effect there since 1959, and allows adoptions only through public or private adoption agencies. The public agencies charge no fee; the private agencies' fees are figured on a sliding scale based on a couple's income. Religion becomes a factor only when a mother requests that her child be placed with a couple of a particular faith.

Proponents of private adoption in New York are critical of what they consider to be the archaic and sanctimonious practices of agencies as they are now set up here, as well as of the agencies' long waits for babies, their impersonality, and their rigid requirements that make it difficult for middle-aged people to adopt and virtually bar adoptions across religious lines.

"We just didn't want to go through the humiliation that applying at an agency involves," said one Queens mother who had adopted a child privately. "They ask you such personal questions, like all about your sex life and the size of your house."

Judge Nanette Dembitz of the New York City Family Court, who has presided over hundreds of adoption proceedings, said that the occasional result of a system in which money is the most important factor in getting a child was the "obnoxious practice" of babies going to "undesirable parents."

"I think all private adoptions should be abolished," she said. "But first we must have a sufficient network of agencies that are truly nonsectarian and do not act arbitrarily. That would be the ideal situation."

SUBSIDIZED ADOPTION—A REPORT TO THE ILLINOIS GENERAL ASSEMBLY

(By Edward T. Weaver, Director, Department of Children and Family Services)

This report on subsidized adoption is submitted by the Department of Children and Family Services to members of the Illinois General Assembly in compliance with Public Act 76–1683, approved on October 6, 1969. The law amended the Act establishing the Department by adding the following language:

"The Department may provide financial assistance, and shall establish rules and regulations concerning such assistance, to persons who adopt physically or mentally handicapped, older and other hard-to-place children who immediately prior to their adoption were legal wards of the Department. The amount of assistance may vary, depending upon the needs of the child and the adoptive parents, but must be less than the monthly cost of care of the child in a foster home. Special purpose grants are allowed where the child requires a special service but such costs may not exceed the amounts which similar services would cost the Department if it were to provide or secure them as guardian of the child. The Department shall report to the General Assembly on the cost benefit of this program by April 1, 1970."

Accordingly, by official regulation effective November 14, 1969, the subsidized adoption program was implemented. Subsidized adoption is a plan by which the Department continues financial involvement beyond the legal consummation of an adoption of a child for whom the Department had responsibility by court order or surrender immediately prior to adoption. It makes adoption possible for

children who would otherwise remain in tax-supported foster care until they reach adulthood. Included are children who cannot be placed for adoption through existing resources because of age, race, physical and/or mental condition, or other serious impediments.

Because of the program's newness and the need to familiarize staff with the criteria and procedures to be employed, only one subsidized adoption was completed in 1969. However, by March 20, 1970, a total of 45 applications for subsidized adoption had been approved, and the program was gaining momentum in each of the Department's eight regions throughout the state.

A careful, conservative projection of anticipated savings to the State of Illinois that will be realized while these 45 children grow to maturity has been set at $292,518. This figure was computed, at current dollar rates, by subtracting the total anticipated costs of the subsidies until the children reach 18 from the higher total of boarding care payments which the state would have to assume if it maintained guardianship of the children until they reach their majority. Known extra costs to the state to facilitate the adoptions—e.g., payment of a significant one-time medical or dental bill—have been deducted in arriving at the projected dollar benefit.

There will also be savings in administrative costs because Department caseworkers will no longer provide supervision of the child, which is required for youngsters in foster family care who remain under state guardianship. However, because the sample of approved cases is small and staff need time to become familiar with the processing of subsidized adoption (which represents an administrative cost), no attempt was made at this time to project the anticipated savings in administrative expenses. If the volume of children accepted under this program grows significantly, the savings in this area will be considerable.

All 45 children for whom subsidized adoption has been approved are being adopted by their foster parents. Twenty-two of the youngsters are white, 20 are black, two are of mixed race, and one is an American Indian. Thirty-two of the children are under five years of age. Some are physically handicapped. Some are mentally retarded. Some are older children who have been with the same foster parents for years and for whom placement in another home would definitely be traumatic for them.

The following examples have been taken from case records, with only the names of the individuals changed. They illustrate how the subsidized adoption program benefits the children, the adoptive family, and the taxpayer.

Margaret, 8, and Sarah, 5, are sisters. Joseph, 3, is a half-brother. All were victims of severe physical and mental abuse.

Margaret was brain damaged and is emotionally disturbed as well as retarded. She also suffers partial paralysis of the vocal cords from being choked, an incident which resulted in her stepfather's being sent to prison.

Sarah is a borderline retardate who was raped at age three and suffered other severe parental abuse and neglect.

Joseph was also abused in his former home and is a very slow learner.

These youngsters were placed in August, 1967, with a foster mother who has given them the love and security they so desperately need. The foster mother is divorced and works the night shift at a hospital as a licensed practical nurse. Her salary is $356 per month, and she has been receiving $290 per month from the Department for care of the three foster children. A young woman reared by the foster mother and now living in her home provides supervision for the youngsters when the foster mother is at her job. To enable her to adopt the children whom she has grown to love as her own, the foster mother is willing to reduce the Department's monthly care payments to $185 and to pay a lawyer to represent her in the three adoptions.

The Department has approved subsidized adoption. The dollar savings to the State of Illinois will amount to an estimated $22,900. In human terms, the "savings" to the children from obtaining a permanent home is inestimable.

Mary is a "hard-to-place" child. She is black and was born 8 years ago with a left arm stumped and malformed. Since she was one week old, Mary has lived with Mrs. Jenkins, a widow who is poor in material terms but rich in love for her foster child. Mary has called Mrs. Jenkins "Mom" as long as she can remember. They have been through much together, including the first fitting of a prosthesis on Mary's deformed arm. The prosthesis will need to be replaced two or three more times as Mary grows to maturity.

Mrs. Jenkins cannot afford a substantial loss of income, but she does want to adopt Mary. The Department has approved a subsidized adoption in which the agency will reimburse her for the lawyer's fee and will continue responsibility for Mary's medical care. The continuing monthly subsidy will be $75, or $17 less than the agency now pays for Mary's foster care. The estimated savings on "out-of-pocket" expenses over the next 10 years: $3,903.

Jimmy and Jonah are 4½-year old twins who were born prematurely. Both have a hare lip and cleft palate. For some time, the boys received medical care, through the University of Illinois' Division of Services for Crippled Children, at a specialized cleft palate clinic. Both have undergone successful surgery for repair of the defects, but Jonah still has an opening in his palate. Consideration is being given to a further operation.

A physician says "physically they are about like 2½-year olds and also in their apparent mental and social development. It is not realistic to assume they will ever reach normal intelligence or size." A psychologist is less fearful of mental retardation and believes the boys may continue to develop to "a low average to average intelligence potential."

Before the boys were six months old, the Department arranged through a private agency to place them with the Morris foster family. According to the caseworker, "much of the progress and continued development can be attributed to the Morris' support, incredible patience, and constant effort in behalf of the twins. Mr. and Mrs. Morris and their other children realize the limitations that the twins have physically and intellectually and accept their limitations with understanding and love."

Mr. Morris, an $810 a month design engineer, and his wife have adopted four children already, all of whom were "hard to place" by reason of physical or mental handicap or racial background. They range in age from six to seventeen years of age. Payments provided by the Department for care of the twins have represented the family's only income in addition to Mr. Morris' salary. However, the family recently received placement of a three-month old mulatto child whom they will ultimately adopt.

The subsidy agreement worked out with Mr. and Mrs. Morris, enabling them to adopt the twins, calls for the Department to provide a $75 monthly subsidy per child instead of the $115 per month per child boarding care fee. The Department will also assume responsibility for the legal fees, plus any medical treatment, speech therapy, or special education costs relating to the twins' handicaps.

The dollar savings to the State of Illinois over the next 13 years is estimated at $12,120.

Jerry, a six-year-old black youngster has been considered for adoption by several families, but plans have fallen through in each instance. This handsome, intelligent youngster has an allergic condition that has required treatment by a specialist nearly every week for the past two years.

Jerry has been in the Washburn foster home since he was one week old. Both the foster mother and the foster father, who was forced into early retirement because of a ruptured spleen, want to adopt Jerry. The child has assumed their last name and knows no other parents.

The family income is based on the father's Social Security and disability pension. The couple has cared for other foster children in the past, and will continue to do so. However, Jerry is the only adoptable youngster who has been with them on a long-term basis. In fact, in 1967, when it became apparent that Jerry's chances for adoption were quite slim, a long-term placement agreement was entered into with the family. The Washburns agreed to pay full clothing costs with the Department paying just the regular boarding care fee, without a clothing allowance.

Subsidized adoption will facilitate agency withdrawal from the case through payment to the family for legal fees for the adoption and by agreement to underwrite the cost of Jerry's medical treatment for the allergies. He is expected to need this type of medical treatment for only two or three years.

The savings that will accrue to the State of Illinois as a result of subsidizing Jerry's adoption has been estimated at $9,924.

Pamela is 5 and has been in the same foster home since she was four months of age. She did not become adoptable until she was more than 2½ years of age, well past the baby stage which appeals to most potential adoptive parents. Her foster mother and foster father, a steelworker who makes $400 per month, had not pursued the matter of adoption aggressively because they could not afford to hire a lawyer.

The case record states: "There is a strong emotional bond between the child and the prospective adoptive parents. Placement with this family has given the child a secure early childhood. To make any other plan for the child would be destructive, traumatic . . ."

The agreement recently approved by the Department of Children and Family Services calls for the agency to pay the family for necessary legal work to complete the adoption. This one-time fee will be more than offset by the foster parents' willingness to terminate the $81 monthly child care payments entirely. The savings, projected until Pamela reaches age 18, amounts to $15,782. Equally important, the parents and child are benefited by a program which enables them to become a permanent family.

Success of this program will not reduce Department efforts to find new parents for adoptable children. On the contrary, by moving into adoption the backlog of children who form the hard core of the "hard to place," Department staff will be in a better position to engage in enterprising efforts to recruit applicants for adoption of minority race or handicapped children as they are released for adoption.

Policies and procedures utilized in the subsidized adoption program are currently under review, but processing of initial applicants suggests no major problems. Appropriate safeguards have been built into the procedures for determining a family's eligibility for subsidized adoption. For example, the prospective adoptive parents must sub-

mit their most recent federal income tax return along with their application for a subsidy.

It is too early for the Department to make far-reaching claims of success in cost/benefit terms. However, the examples cited earlier demonstrate that subsidized adoption is a bold new approach to meet the needs of "hard to place" children and that it has significant potential for conservation of public funds. The savings that may be effected by reducing, or at least controlling, worker caseloads should, moreover, not be overlooked. A significant long-range benefit of this program is likely to be more effective utilization of the time of child welfare workers. If workers spend more time providing preventive services that hold families together, they reduce the need to place children outside their own homes, either in foster care or in adoption.

By Mr. DOMINICK:

S. 3299. A bill entitled the National Science Foundation Authorization Act of 1975. Referred to the Committee on Labor and Public Welfare.

Mr. DOMINICK. Mr. President, I am pleased today to introduce the authorization bill for the National Science Foundation's 1975 program. It is very fitting, I think, that the approaching 25th anniversary of NSF's creation by Congress should be marked by plans for the most vigorous program of fundamental research in NSF history—an increase of 25 percent in the funding level over the current year. It is also most appropriate that NSF—the only Federal agency that supports the entire range of science—is being asked to play a significant role in the accelerated national effort to use that science in the service of society.

These are complementary efforts, and it is extremely desirable in my view that there be this central point in the Federal Government, as NSF provides, where basic and applied work in science are brought together. In this way the full potential that science has to offer, for both the short and the long term, stands a greater chance of being accurately assessed and realized. NSF's ability to carry out these responsibilities is further enhanced by the fact that the NSF Director, Dr. H. Guyford Stever, is also the President's Science Adviser. In the role he must constantly assess the contribution that all areas of science can make to the Nation.

This bill authorizes $788.2 million for the National Science Foundation's programs in the coming year, including $5 million for the special foreign currency appropriation. This is an increase of $141.8 million above the current year's program level of $646.4 million.

I find particularly interesting the proposed plans for bringing NSF's basic and applied research programs and its education programs to bear on the energy problem. Some $253 million will be directed at accelerating the national effort toward energy self-sufficiency.

Of this total, $130 million will involve the search for basic knowledge needed in the energy area, ranging from studies of little-understood phenomena in chemistry, physics, and the behavior of materials, to ecological, and economic processes involved in alternative solutions to the energy problem. Also included in the $253 million total is the sum of $103 million in the RANN program—Research Applied to National Needs—which will support applied research dealing with energy. This will focus particularly on the development of solar and geothermal energy as well as other nonconventional energy sources such as wind and ocean temperature gradients, and on the environmental consequences of energy extraction and conversion. Over $3 million is also included for graduate traineeships and postdoctoral training in energy-related areas, to help assure an adequate supply of the trained manpower we are going to need in the years ahead.

I believe this program is to be commended as a carefully-developed, forward move, drawing on the Foundation's versatile skills encompassing a wide range of disciplines, to assist the Nation in solving our energy needs.

In this regard I note with particular pleasure that $50 million is requested for NSF's solar energy research program for the coming year—a four-fold increase over this year's funding level. Under the RANN program, which began in 1971, NSF was the first Federal agency to take the initiative in solar energy research for domestic use.

It has moved ahead rapidly in a number of solar energy areas, particularly with an excellent program to bring systems for solar heating and cooling of buildings to the point where they can be commercially developed. The administration last year designated NSF as the lead agency for solar agency research. This rapidly growing program is particularly gratifying in view of the specific directives to NSF from its Senate authorization committee, in both the 1973 and 1974 authorization, to increase its support of research on nonconventional energy resources with particular reference to solar energy.

In addition to mobilizing its efforts in a broad attack on the energy problem, the Foundation will also continue many vital programs that are being carried out under its support and direction. These include continued construction of the very large array—VLA—for radio astronomy, which will have a sensitivity and resolution unmatched anywhere in the world; continued support for our Arctic and Antarctic programs, including completion of the new South Pole station next winter; support for the important ocean sediment coring program, the global atmospheric research program, and the international decade of ocean exploration, all of which are making significant contributions to our understanding of the Earth's crust and the oceans and atmosphere that enclose it and maintain the cycle of life on it.

The Foundation's restructured science education program for fiscal 1975 will be funded at the level of $61.4 million. New programs are being supported to meet changing educational requirements in the 1970's. These include course development to train practitioners as well as researchers; projects to give more students a basic understanding of science; and efforts to improve the skills of elementary and secondary school students. All of these are directed at increasing the flexibility of scientific and technical manpower to meet the changing needs of society and at increasing the general public's understanding of science and how it interacts with society.

In addition to these areas, the budget for 1975 includes a stress on research on National R. & D. Assessment and on Science and Technology Policy and Energy R. & D. Policy, in support of the NSF Director's role as the President's Science Adviser.

Mr. President, I ask unanimous consent that the bill and a sectional analysis of this legislation be printed in the RECORD.

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

S. 3299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, to enable it to carry out its powers and duties under the National Science Foundation Act of 1950, as amended, and under title IX of the National Defense Education Act of 1958, out of any money in the Treasury not otherwise appropriated, $783,200,000.

SEC. 2. Appropriations made pursuant to authority provided in sections 1 and 4 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 3. Appropriations made pursuant to this Act may be used, but not to exceed $5,000, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 4. In addition to such sums as are authorized by section 1, not to exceed $5,000,000 is authorized to be appropriated for fiscal year ending June 30, 1975, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 5. This Act may be cited as the "National Science Foundation Authorization Act, 1975."

SECTIONAL ANALYSIS

A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes.

Sec. 1.—This section authorizes appropriations to the National Science Foundation for fiscal year 1975 in the amount of $783,200,000, equal in total to the amount shown in the President's Fiscal 1975 Budget, including the amendment for energy research.

Sec. 2.—This section provides that appropriations made pursuant sections 1 and 4 shall remain available for obligation and expenditure for such period, or periods, of time as may be specified in appropriations acts.

Sec. 3.—This section authorizes an allowance of up to $5,000 for official consultation, representation, and other extraordinary expenses to be expended at the discretion of the Director.

Sec. 4.—This section authorizes, in addition to the funds appropriated by section 1, an appropriation for fiscal year 1975 not to exceed $5,000,000 for expenses of the National

Science Foundation incurred outside of the United States to be financed from foreign currencies which are determined by the Treasury Department to be in excess of the normal requirements of the United States.

Sec. 5.—This section permits the citation of the Act as the "National Science Foundation Authorization Act, 1975."

By MR. BROCK:

S. 3300. A bill to amend the National Housing Act to provide a statutory basis for the continuing administration by Federal Housing Administraiton of the standard risk programs under such act. Referred to the Committee on Banking, Housing and Urban Affairs.

THE FEDERAL HOUSING ADMINISTRATION ACT

Mr. BROCK. Mr. President, today I am introducing the Federal Housing Administration Act of 1974 which would create an independent Federal agency for unsubsidized Federal Housing Administration programs.

The time has come to consider carefully the role of the Federal Government in its basic unsubsidized housing programs and the present condition of FHA. It is no secret that the FHA is experiencing deepening difficulties and it is assumed by many in Congress that these troubles essentially stem from all of the programs that this agency administers. This is only partly true. It is both inaccurate and unfair to dam all of FHA's programs because of the difficulties it has experienced in those areas which are subsidized.

Earlier this month the Senate completed work on S. 3066, the Housing and Community Development Act of 1974. This act went a long way toward simplifying and strengthening the Federal Government's role in assisting housing. But it does not go far enough. The most workable solution is to totally sever the subsidized from the unsubsidized housing programs for which the Department of Housing and Urban Development—HUD—is responsible and to create an independent Federal insuring agency which will be responsible for the administration and proper execution of FHA's original standard risk unsubsidized programs.

The legislation which I am introducing does not desert such subsidized programs as the Congress wishes HUD to pursue. It made specific allowance for cooperation between the independent FHA and HUD or other agencies in carrying out subsidy programs for which HUD or other departments are responsible.

By providing a clean break between the unsubsidized and subsidized programs for which FHA is now responsible, HUD is put in a far better position to marshal its resources to resolve the housing problems of the cities and to develop and utilize sound workable subsidy programs to that end. A sound insurance program, such as the FHA unsubsidized program now backed by Mutual Mortgage Insurance Fund, and a subsidy program, which is in reality a Government guarantee, are not the same and cannot be managed by common principles and personnel. I believe we will get a great deal better service out of both the subsidized and unsubsidized programs if they are completely separate as to the agencies responsible for their management.

A separate Federal agency should not be anathema to either the Congress or the administration. Such independent agencies often have been created before, the Federal Home Loan Bank Board being a classic case in point. You will remember the Board was once a part of the Housing and Home Finance Agency until it was made a separate independent agency by the Housing Amendments of 1955.

The preservation and strengthening of FHA's basic insured programs would provide the basis on which we could halt the severely declining housing starts. Total FHA insured loans have been decreasing at an alarming rate for the past year and FHA activity is now at its lowest point since 1951. The 1973 figures show only 83,000 unsubsidized and subsidized new units were insured with only a small portion of this total being unsubsidized. This trend cannot be permitted to continue.

The proposed Federal Housing Administration Act of 1974 is the tool by which we can begin to mount a strong program to assure that the FHA can provide extremely needed housing to forgotten moderate-income Americans.

Succinctly stated, this legislation would:

First. Create an independent Federal agency for the purpose of administering the sound, unsubsidized mortgage insurance functions of the Federal Housing Administration;

Second. Charge this new agency with the responsibility of maintaining sound standards of property and credit underwriting and of maintaining a self-supporting operation;

Third. Transfer to the new agency the appropriate insurance reserves and related liabilities of FHA's unsubsidized programs, including the Treasury backstop of the agency's debentures; and

Fourth. Provide authority by which the new agency could handle the mortgage insurance requirements for housing for which subsidies may be granted, with the proviso that such housing subsidies would be administered by a different agency of the Federal Government.

Technically, my proposal is addressed to existing law, and the references in it are primarily to the existing National Housing Act. I recognize that if, after action by the House of Representatives, S. 3066 becomes law, these technical references would need to be adjusted. I voted in favor of S. 3066, but I am aware that the House is in the process of what may be a lengthy consideration of similar omnibus housing legislation. The proposal I am making today should not await final action on these legislative efforts; it is timely for the Senate to consider this proposal now.

I welcome the comments of the Members of the Senate and urge all Senators to support the concept embodied in my proposal.

I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS: FEDERAL HOUSING ACT OF 1973

Section 1: Short title.

Section 2: This section sets forth the purposes of the bill.

Section 3: This section amends the National Housing Act by adding to it a new Title XIV which is then set forth.

Section 1401—Creation of FHA: This section creates a new government corporation, called the Federal Housing Administration (FHA) in the executive branch, outside the Department of Housing and Urban Development, to carry on mortgage insurance programs.

Section 1402—Existence, powers of FHA: This section gives the FHA permanent existence, and provides for its powers to continue without interruption until the corporation is formally dissolved by Congress, makes the FHA a resident of the District of Columbia for purposes of venue in civil suits, and establishes the FHA's principal office in the District of Columbia with authority to set up offices in other places as needed.

Section 1403—Board of Directors: This section provides that the FHA is to be governed by a 6 member Board of Directors, and a Commissioner who is also Chairman of the Board. Other members of the Board are the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Reserve Board, the Secretary of the Treasury, the Secretary of the Department of Housing and Urban Development, and the Comptroller of the Currency, or their delegates. No member of the Board may, during his time in office, be an officer or director of a mortgage financing institution or hold any stock in such an institution.

Section 1404—Powers, duties of Board: This section sets forth the responsibilities of the Board of Directors of the FHA. The Board is to exercise general direction and supervision over the functioning of the FHA. The Board must approve actions taken by the Commissioner in setting maximum mortgage amounts, fees and premiums, and mortgage market interest rates.

Section 1405—FHA Commissioner: This section establishes the Commissioner of the FHA as the administrative and executive head of the corporation. He is to be appointed by the President for a six year term, may be reappointed for an additional six year term, and may be removed for cause by the President. In addition to supervising the day to day operations of the FHA, the Commissioner is charged with advising the Board and the President on housing matters under the scope of the Act and providing information and technical assistance on the subject of housing to state and local governments.

Section 1406—Liaison with Congress: This section makes the Commissioner responsible for maintaining liaison with Congress for the FHA, and with making a yearly report to the President for submission to the Congress on the FHA's activities.

Section 1407—Assistant Commissioners, General Counsel, other employees: This section provides for the appointment of up to three assistant commissioners, and a general counsel, with the approval of the Board. Such other employees as the FHA may need are to be appointed by the Commissioner under the civil service laws.

Section 1408—Transfer of functions from HUD: This section transfers to the FHA all of the functions, powers and duties now committed to the Department of Housing and Urban Development under certain sections contained in Title I and Title II of the National Housing Act.

Section 1409—Insurance of Financial Institutions: This section embodies the former section 2 of Title I of the National Housing Act. It empowers the Commissioner to insure loans made for the purpose of financing the renovation and repair of existing structures and the building of new structures in-

cluding the financing of the purchase of a mobile home to be used as a principle residence. The Commissioner is authorized to set standards for the type of improvements and repairs which can be insured, and minimum standards for mobile homes and the sites on which they are to be located. Maximum mortgage amounts, maturity periods, and premium charges for the obligations to be insured under this section are provided in subsection (b). Subsection (c) empowers the Commissioner to deal with any obligations or real property assigned to him in connection with foreclosure or the payment of insurance. Subsection (d) authorizes the Commissioner to transfer insurance when the loan is sold by one financial institution to another. Subsection (e) authorizes the Commissioner to waive compliance with regulations prescribed by him under this section under certain circumstances. Subsection (f) authorizes the Commissioner to set premium charges for the insurance issued under this section. Subsection (g) provides that payments made by the Commissioner to an approved financial institution for loss under this section are to be incontestable, in the absence of the institution, after two years. Subsection (h) authorizes the Commissioner to make rules and regulations to carry out the provisions of this section.

Section 1410—Insurance of Mortgages: This section contains the provisions formerly found in section 203 of Title II of the National Housing Act. Subsection (a), contains defintions of terms found in the rest of the section; Subsection (b) authorizes the Commissioner to insure mortgages which are eligible under this section and to make commitments for the insuring of such mortgages. Subsection (c) sets forth the criteria which must be met for a mortgage to be eligible for insurance under this section. Included are standards as to mortgage amount, loan to value ratio, and length of maturity period for different kinds of housing. Under this subsection the Commissioner is to determine credit standards to be met by mortgages, interest rates and other terms and conditions of the mortgage to be insured, and the minimum amount of cash which must be paid by the mortgagor as a down payment. Under subsection (d), the Commissioner fixes the premium charges for the insurance of mortgages. Subsection (e) provides that any contract of insurance issued by the Commissioner is to be conclusive evidence of the eligibility of the loan or mortgage for insurance, and that the validity of any contract of insurance is to be incontestable after it has been issued to a financial institution or mortgagee. Subsection (f) provides for the insurance of mortgage loans made to reconstruct single family homes destroyed by flood, fire, hurricane, earthquake, storm, riot, or other catastrophe, under the Disaster Relief Act of 1970. Subsection (g) empowers the Commissioner to insure mortgages in outlying areas or small communities where he finds that it is not practical to obtain conformity with many of the requirements for mortgages on housing in built up urban areas. Subsection (h) provides that loans secured by mortgages under this section shall not be taken into account for purposes of computing the amount of real estate loans which a national bank may make in relation to its capital and surpluses or its time and savings deposits. Subsection (i) provides for insurance of home improvements loans on certain types of housing. Subsection (j) provides for the Commissioner to insure mortgages on vacation or seasonal homes subject to certain standards and under certain circumstances.

Section 1411(a) provides for the payment of insurance by the Commissioner, and attendant proceedings including foreclosure, conveyance of title and assignment of claims by the mortgagee, issuance of debentures and certificates of claim in lieu of cash if the Commissioner elects to do so, and payment of the costs of foreclosure. Subsection (b) authorizes the Commissioner to consent to release of the mortgagor or the property from the lien of the mortgage. Subsection (c) prescribes the form and denominations of debentures to be issued under this section. Subsection (d) deals with the execution negotiability, terms, and tax exemption of debentures issued under this section. Subsection (e) governs the issuance of certificates of claim under this section. Subsection (f) governs the disposition of any excess of proceeds of sale over amounts paid by the Commissioner upon conveyance to him of the property, as well as with the settlement of certificates of claim. Subsection (g) gives the Commissioner the power to deal with, in all respects, and in his discretion, any property conveyed to him in exchange for debentures and certificates of claim. Subsection (h) provides that no mortgagee or mortgagor is to have any right or interest in any property or claim conveyed or assigned to the Commissioner, and that the Commissioner does not owe any duty to any such mortgagee or mortgagor with respect to the handling or disposition of such property or claim. Section 1411(i) provides for the determination of the rights of the mortgagor or mortgagee upon foreclosure or payment in full of the obligation. Subsection (j) provides that the Commissioner is authorized to include in the amount of debentures which he issues in payment of insurance, amounts reasonably incurred by the mortgage in the course of foreclosure for protecting and operating the property, and conveying the property to the Commissioner.

Section 1412—Mutual Mortgage Insurance Fund: This section provides for the continued maintenance of a General Surplus Account and a Participating Reserve Account within the Mutual Mortgage Insurance Fund. Subsection (b) provides for the allocation of aggregate net income or loss sustained by the Mutual Mortgage Insurance Fund between the General Surplus Account and the Participating Reserve Account by the Commissioner. Subsection (c) provides that after a mortgagor has paid his mortgage in full, and the insurance thereon has thereby been terminated, the Commissioner is to distribute to such mortgagor his share of the Participating Reserve Account. Subsection (d) provides that the determination of the Commissioner as to any amount to be paid out of the Participating Reserve Account to a mortgagor shall be final and conclusive and no mortgagor or mortgagee is to have any vested right in any credit balance or be subject to any liability arising out of the mutuality of the Fund.

Section 1413—Rental Housing Insurance: This section embodies the former section 207 of Title 2 of the National Housing Act. Subsection (a) contains the definitions of terms used later in the section. Subsection (b) authorizes the Commissioner to insure mortgages on rental housing designed to provide housing for families at moderate rentals. The mortgagor may be either a public housing authority or a private developer. A public housing entity must be one which is regulated by Federal or state law as to rents, charges, capital structure, rate of return, or methods of operation, and such a private developer must be regulated by the Commissioner as to these same items for as long as the insurance remains in effect. Subsection (c) sets forth maximum mortgage amounts and loan to value ratios for projects insured under this section along with the Commissioner's authority to change such amounts with the approval of the Board. Subsection (d) provides for the payment of premium and appraisal charges for the insurance of mortgages under this section. Subsection (e) gives the Commissioner the authority to adjust premium charges upon final payment of the mortgage. Subsection (f) provides for the payment of insurance to the mortgagee upon default by the mortgagor, and the terms and conditions of such payment, including the conveyance to the Commissioner of title to the property, the assignment to him of all claims of the mortgagee against the mortgagor, and the payment of insurance to the mortgagee. Subsection (g) provides for the issuance by the Commissioner of certificates of claim as part of the payment of insurance under this section, together with debentures and cash. The subsection also provides for the disposition of any excess realized upon the sale of property over the amount of insurance payments made. Subsection (h) provides for the issuance of debentures in payment of insurance issued under this section. Subsection (i) sets forth the form and denominations of such debentures. Subsection (j) provides for the acquisition of title to property by the Commissioner by means of voluntary conveyance or foreclosure under this section. Subsection (k) gives the Commissioner authority to deal with property acquired by him under this section, and likewise to pursue and settle all claims assigned to him under this section. Subsection (l) sets forth the rights of the parties in the case of default or payment of the mortgage under this section. Subsection (m) provides for reissuance of insurance issued prior to the enactment of the National Housing Act amendments of 1938. Subsection (n) provides for a service charge to be paid by the mortgagor for a mortgage assigned to and held by the Commissioner.

Section 1414—Labor Standards: This section provides for application of the prevailing area wage rate standards of the Davis-Bacon Act to construction upon which there is a mortgage insured under this Act.

Section 1415—Cooperative Housing Insurance: This section embodies the provisions of the former section 213, of Title 2 of the National Housing Act. This section provides for insurance of mortgages on cooperative housing projects owned and operated by a non-profit cooperative ownership housing corporation or trust, a non-profit corporation or non-profit trust organized for the purpose of construction of homes for members of the corporation or beneficiaries of the trust, or a mortgagor which will sell the property or project to a non-profit corporative housing corporation or trust. Terms and conditions of mortgages to be insured under this section are prescribed in subsections (b), (c), (d), and (e). Subsection (j) provides for supplementary cooperative loans for improvements or repairs of the property covered by such a mortgage, and cooperative purchases and resales of memberships, subject to terms and conditions set forth in the subsection. The provisions of section 1415 are to be funded by the Cooperative Management Housing Insurance Fund. Under subsection (1) the fund is to continue to have a General Surplus Account and a Participating Reserve Account, and upon termination of the insurance obligation by payment of an insured mortgage or loan, the Commissioner is authorized to distribute a share of the Participating Reserve Account to the mortgagor or borrower.

Section 1416—Insurance of Commitments: This section authorizes the Commissioner to process applications and issue commitments for insurance of mortgages even though the permanent mortgaging financing may not be insured under this Act, and also gives the Commissioner the authority to insure mortgages where the mortgagor is not the occupant of the property by reason of military service where he intends to occupy the property upon discharge from military service.

Section 1417—Appraisal for Home Buyers: This section requires that the purchaser of property approved for mortgage insurance under this Act be provided by the seller or builder with a written appraisal of the property prior to the sale of the property.

Section 1418—Builder's Cost Certification: This section provides that no mortgage covering new or rehabilitated multifamily housing is to be insured unless the mortgagor has provided the Commissioner with a cost certification showing that the approved percentage of actual cost equalled or exceeded the proceeds of the mortgage loan, or that any excess is to be paid forthwith to the mortgagee for application to reduction of the principal obligation of the mortgage. The terms "new or rehabilitated multifamily housing," "approved percentage," and "actual cost," are all defined in this section.

Section 1419—Voluntary Termination of Insurance: This section authorizes the Commissioner to terminate insurance under this Act upon request of the borrower or mortgagor, and the financial institution or mortgagee, and payment of a termination charge.

Section 1420—Acquisition of Mortgages to Avoid Foreclosure: This section gives the Commissioner the right to acquire the mortgage, upon payment of insurance benefits to the mortgagee, for the purpose of avoiding foreclosure by the mortgagee.

Section 1421—Mortgage Insurance for Condominiums: This section provides for mortgage insurance for condominiums. It sets forth the terms and conditions for mortgages to be insured, and in addition to individual mortgages, provides for insurance of blanket mortgages under certain circumstances and subject to certain terms and conditions.

Section 1422—Transfer of Assets, Liabilities: This section transfers the personnel, assets, contracts, property, unexpended appropriations, etc., used in the programs under the sections of the National Housing Act being transferred, to the new FHA. Subsection (b) provides that the FHA is to assume all existing insurance in force arising from the programs transferred to it under this Act, and provides for the transfer to the FHA of the Mutual Mortgage Insurance Fund, the Cooperative Management Housing Insurance Fund, and a portion of the General Insurance Fund.

Section 1423—Further Powers, Duties of Commissioner: This section provides for the establishment of mortgage fees, interest rates, and premium charges sufficient to meet the expenditures of the FHA and provide adequate reserve funds. Subsection (a) also empowers the Commissioner to sue and be sued in his official capacity, and to appoint advisory bodies to assist him. It is also provided that all civil suits to which the FHA is a party are to be deemed to arise under the laws of the United States. Subsection (b) authorizes the Commissioner to contract with other government agencies for use of their services by the FHA and for the use of the FHA's services by such other agencies, and authorizes the Commissioner to cause a seal of office to be made for the FHA and for judicial notice to be taken thereof. Subsection (c) authorizes the Commissioner to delegate his functions, powers and duties to such officers and employees of the FHA as he designates. Subsection (d) authorizes the Commissioner to issue temporary and permanent regulations to implement the programs, administration and activities of the FHA.

Section 1424—Power To Borrow Money, Invest Money; Issuance of Debentures: This section authorizes the FHA to borrow from the Treasury such funds as the Board deems necessary for insurance purposes. Subsection (b) provides for investment of money of the FHA not otherwise employed in obligations of the United States or obligations guaranteed as to principal and interest by the United States. Subsection (c) provides for the banking or checking accounts of the FHA. Subsection (d) provides for the Commissioner to set the rate of interest on debentures issued pursuant to this Act in payment of insurance claims, and specifies that such insurance claims may be paid in cash if the Commissioner so elects. Subsection (e) provides that debentures and other obligations of the FHA shall be exempt from all state and Federal taxation, and the FHA, including its franchise, capital, reserves, surplus, and income shall be exempt from all state and Federal taxation, except that the FHA's real property may be taxed as other real property is taxed. Subsection (f) provides for the preparation and printing of notes debentures, bonds, or other obligations needed by the FHA. Subsection (g)specifically authorizes the FHA to acquire, hold, and dispose of real property. Subsection (h) gives the FHA free use of the United States mails in the same manner as other departments of the government.

Section 1425—Authority of Federal Instrumentalities To Purchase FHA Mortgages: This section authorizes other federal instrumentalities, including federally chartered banks and savings and loans associations, currently authorized to purchase mortgages insured under the National Housing Act, to purchase mortgages insured by the FHA.

Section 1426—Non-Abatement of Actions: This section provides for non-abatement of actions by or against agencies whose functions are being transferred by this Act. Subsection (b) provides that all powers and authorities conferred by this Act are to be cumulative and in addition to any powers and authorities otherwise existing, that all actions taken prior to the effective date of this Act by agencies and officers whose powers are being transferred by this Act are to remain in full force and effect until they are modified or rescinded, and that reference to the officer or agency whose powers are being transferred in the other Federal, state or local law is to be understood to mean the new FHA or the Commissioner.

Section 1427—Annual Audit: This section provides for the auditing of the affairs of the FHA annually by the General Accounting Office, and the rendering of a report of the results of that audit.

Section 1428—Savings Clause: This section provides for severance of any part of the Act which might at a future time be declared unconstitutional, and for the continued validity of the remainder of the Act.

Section 1429—Certain Sections Repealed: This section repeals certain portions of the National Housing Act.

Section 1430—Effective Date, Temporary Appointments: This section establishes the effective date of the Act as sixty (60) days after its approval, and provides for the appointment of officers by the President on an acting basis pending final approval of the President's permanent appointments by the Senate.

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

S. 3301. A bill to amend the act of October 27, 1972 (Public Law 92-578). Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to amend the act of October 27, 1972 (Public Law 92-578), which established the Pennsylvania Avenue Development Corp.

Mr. President, this draft legislation was submitted and recommended by the Pennsylvania Avenue Development Corp. and I ask unanimous consent that the executive communication accompanying the proposal from the chairman of the corporation be printed in the RECORD at this point in my remarks.

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

PENNSYLVANIA AVENUE DEVELOPMENT CORP.,
Washington, D.C., March 19, 1974.

Hon. GERALD R. FORD,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill prepared by the Pennsylvania Avenue Development Corporation "To amend the Act of October 27, 1972 (Public Law 92-578)". The proposed legislation is designed to amend several sections of the Corporation's enabling statute and thereby enhance its capabilities to plan and redevelop the north side of Pennsylvania Avenue betwen the Capitol and the White House.

The first section of the draft bill would provide the Corporation with the usual authority for non-competitive hiring of experts and consultants for limited periods of time. In view of the Corporation's sole task, essentially that of a small planning and development agency, temporary requirements for the services of experts in architecture, design, engineering, and urban economics have frequently arisen, and such requirements are expected to escalate. It has proved to be difficult to produce these needed services by contracting for finished work-products under existing contracting authority and applicable regulations. The proposed amendment would improve the process of development planning by permitting the Corporation to hire experts within the limits of section 3109 of title 5, United States Code, but without regard to advertising.

The second section of the enclosed draft bill would reinstate the expired moratorium on construction within the development area, and continue it until such time as the Corporation's plans are expected to have been fully reviewed by Congress. The Corporation's enabling law prohibited construction, alteration, etc., within the development area except by permission from the Corporation upon a finding that the proposed work would be in conformity with the development plan. This moratorium expired one calendar year after enactment of the legislation on October 27, 1973. The Corporation, however, was not staffed and funded until eight months after passage of its Act, with the result that the moratorium was in effect for only the first four months of the planning process. The restoration of the moratorium would permit the development plan to be prepared and reviewed by the designated agencies and Congress unhampered by nonconforming construction in the interim.

The third and last section of the draft bill would amend the authorization for appropriations to provide for funding of the Corporation's operating and administrative expenses in fiscal year 1975, and in succeeding fiscal years.

For the reasons stated above, prompt favorable consideration of the enclosed draft bill is requested.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this proposed legislation to Congress.

Sincerely,

E. R. QUESADA, *Chairman.*

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 200

At the request of Mr. MCINTYRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 200, a bill to require that new forms and reports, and revisions of existing

forms, resulting from legislation be contained in reports of committees reporting the legislation.

S. 411

At the request of Mr. McGEE, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 482

At the request of Mr. TAFT, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 482, to amend the Internal Revenue Code of 1954 to allow an income tax credit for the costs of maintaining the exterior appearance and structural soundness of certain historic buildings and structures.

S. 483

At the request of Mr. TAFT, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 483, to amend the Act of October 15, 1966, relating to the preservation of certain historic properties in the United States.

S. 1812

At the request of Mr. McINTYRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1812, a bill to improve the coordination of Federal reporting services.

S. 1818

At the request of Mr. GURNEY, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1818, to authorize POW's use of the Golden Eagle Passport.

S. 2279

At the request of Mr. HATFIELD, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2279, for the relief of certain Korean orphans.

S. 2359

At the request of Mr. HARTKE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2359, a bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder.

S. 2422

At the request of Mr. MATHIAS, the Senator from Iowa (Mr. CLARK), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Montana (Mr. MANSFIELD) were added as cosponsors of S. 2422, to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape.

S. 2445

At the request of Mr. McINTYRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2445, a bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes.

S. 2690

At the request of Mr. MUSKIE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor to S. 2690, a bill to amend title XVIII of the Social Security Act to liberalize the conditions under which posthospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof.

S. 2695

At the request of Mr. MUSKIE, the Senators from California (Mr. TUNNEY), New York (Mr. JAVITS), and Texas (Mr. TOWER) were added as cosponsors to S. 2695, a bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies which will provide home health services.

S. 2801

At the request of Mr. PROXMIRE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals, and for other purposes.

S. 2938

At the request of Mr. JACKSON, the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 2938, the Indian Health Care Improvement Act.

S. 3096

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. McGEE) was added as a cosponsor of S. 3096, a bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage.

S. 3225

At the request of Mr. GURNEY, the Senator from Kansas (Mr. DOLE), and the Senator from Maryland (Mr. BEALL) were added as cosponsors of S. 3225, to amend the Export Act of 1969 to curtail exports of petrochemical feedstocks.

S. 3259

At the request of Mr. TAFT, the Senator from Kansas (Mr. DOLE) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 3259, a bill to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 257

At the request of Mr. PASTORE, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of Senate Resolution 257, to amend the Standing Rules of the Senate to establish a procedure for requiring amendments to bills and resolutions to be germane.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1141 AND 1142

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

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1146

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

Mr. CLARK submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

EXTENSION OF NATIONAL LABOR RELATIONS ACT TO EMPLOYEES OF NONPROFIT HOSPITALS—AMENDMENT

AMENDMENT NO. 1143

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

Mr. TOWER. Mr. President, on behalf of Senator ERVIN, Senator GRIFFIN, and myself, I am today submitting an amendment to S. 3203. The amendment is similar to my bill, S. 853, which I introduced last year. However, it does contain significant modifications that are in part a result of hearings that were held on this legislative proposal in the 91st Congress by the Subcommittee on Separation of Powers of the Senate Judiciary Committee.

The amendment would provide for the trial of all unfair labor practice cases in U.S. district courts. Representation cases would remain under the exclusive jurisdiction of the National Labor Relations Board.

The amendment would retain the Office of General Counsel in its present form so as to assure the availability of a Federal prosecutor to any person deeming himself aggrieved by virtue of the commission of an unfair labor practice. An individual who wishes to file an unfair labor practice would, under the amendment, be able to bring that complaint to the General Counsel or file a private action. Should the General Counsel decide not to prosecute the complaint, the individual would still be able to file an action on his own.

This represents an improvement over the legislation I had previously introduced. My bill would have vested the authority to bring an action with U.S. attorneys. Constructive criticism was put forth against this suggested change since it was felt that too great a burden would be placed on the U.S. attorney's offices. Therefore, the amendment which Senator ERVIN, Senator GRIFFIN, and I are today offering would retain the General Counsel to serve as a possible Federal Prosecutor.

Mr. President, there are a number of reasons why this amendment would vastly improve the effectuation of Federal labor policy. I believe that the reforms advocated by this amendment are long overdue. In fact it was in 1953 that the House Education and Labor Committee recommended that the Board be divested of jurisdiction over unfair labor practice cases.

Mr. President, the NLRB has limited authority by statute to make judicial determinations whether unfair labor practices have been committed. I have never

been convinced by any argument that this jurisdictional grant should lie with the Board rather than with the Federal Court system. The nature of the Board itself, highlighted by its constant change in membership, helps to illustrate the causes of the great deal of criticism it has received through the years. Litigants and potential litigants are at a loss to know exactly what the current status of the law is on a specific labor law issue.

Our courts are the proper place for the resolution of labor law disputes. Whereas the Board responds to labor law depending on the swing in membership dictated by which particular administration is in office, the Federal courts are uniquely capable to give the proper respect for the doctrine of stare decisis while at the same time recognizing the changing concerns of the American people and our industrial society.

The amendment would provide for a creation of a private right of action. This change is consistent with comparable rights of action found in similar social legislation, such as the Fair Labor Standards Act and title VII of the Civil Rights Act. The need for a private right of action is due to the enormous amount of power granted by statute to the General Counsel. The General Counsel has the total authority to decide whether any action will be undertaken on behalf of the charging party. His decision is unappealable and unreviewable by the executive, legislative or judicial branches. This kind of procedure is bad public policy and certainly inconsistent with traditional constitutional safeguards. During the hearings on my original proposal, Senator ERVIN best expressed this feeling:

> I might state my objection to the power of the General Counsel is not based upon any General Counsel's activities. I am fundamentally opposed to a proposal for such monarchial powers in any human being. I do not think any human being who ever lived ought to have the right to give a man or deny a man access to the temple of justice. I would not even trust myself to exercise that autocratic power.

Mr. President, this proposal is not being raised at this time because of any sharp or extraordinary criticism I might lodge against the current Board or the current General Counsel. As a matter of fact, I believe that the so-called Nixon Board and the current General Counsel have generally carried out their responsibilities in good faith and with a full understanding of the responsibilities which have been vested in them. The fact that I may agree with some of this Board's recent decisions and the fact those with opposing philosophical tendencies, both within and without Congress, have sharply criticized those decisions only emphasizes the turmoil which the present system has caused and the overall need for the broad reform herein suggested.

Mr. President, I urge my colleagues to give this Tower-Ervin-Griffin amendment their careful consideration. I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

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

AMENDMENT No. 1143

On page 1, between lines 2 and 3, insert the following:

TITLE I—EXTENDING COVERAGE TO EMPLOYEES OF NONPROFIT HOSPITALS

On page 1, line 3, strike out "That" and insert in lieu thereof "Sec. 101."

At the end of the bill add the following new title:

TITLE II—PROVIDING FOR TRIAL OF UNFAIR LABOR PRACTICE CASES IN THE UNITED STATES DISTRICT COURTS

SEC. 201. Section 3(d) of the National Labor Relations Act is amended by striking out "trial examiners and" in the second sentence, and by striking out "Board" the second time it appears in the third sentence and inserting in lieu thereof "courts".

SEC. 202. Section 4(a) of such Act is amended by striking out "examiners" in the second sentence, and by striking out the fourth sentence.

SEC. 203. Section 9(d) of such Act is amended to read as follows:

"(d) Whenever the validity of a certification of a bargaining representative by the Board under this section is in issue in a proceeding before a court under section 10, the clerk of the court shall notify the Board of that fact. Within fifteen days after the date such notice is received the Board shall file such certification, together with the record on which it was based, with the court."

SEC. 204. Section 10 of such Act is amended to read as follows:

"PREVENTION OF UNFAIR LABOR PRACTICES

"SEC. 10. (a) The district courts of the United States, the district court of the Virgin Islands, and the United States District Court for the District of the Canal Zone shall have jurisdiction, as provided in this section, to prevent any person from engaging in any unfair labor practice listed in section 8 affecting commerce.

"(b) Any person aggrieved by any such unfair labor practice may, within six months after the date on which such unfair labor practice occurred, either (1) file and prosecute such a complaint in any court specified in subsection (a) having jurisdiction of the parties, or (2) file a charge of such unfair labor practice with the General Counsel of the National Labor Relations Board and request him to file and prosecute such a complaint. Whenever a person aggrieved by an unfair labor practice is prevented by reason of service in the Armed Forces from filing a charge or complaint he may do so within six months after the date of his discharge.

"(c) Whenever a charge is filed with the General Counsel of the Board under this section, he shall promptly serve a copy of the charge upon the person against whom such charge is made. Within a reasonable time thereafter, he shall file a complaint with the appropriate court and prosecute such complaint, in the name of and on behalf of the person who filed the charge, unless he determines that the charge is frivolous, or otherwise without basis in law or fact, in which case he shall promptly notify the parties of such determination. After receiving such notice, the charging party may file and prosecute a complaint under subsection (b) on his own initiative; and the period beginning with the date on which he filed the charge with the General Counsel of the Board, and ending with the date on which he received such notice, shall not be counted in determining whether the six-month period specified in subsection (b) has expired. The General Counsel of the Board shall give priority to charges of unfair labor practices within the meaning of subsection (a)(3) or (b)(2) of section 8 and paragraph (4)(B) or (C) of section 8(b) over all other unfair labor practice charges filed with him.

"(d) Proceedings under this section shall be tried by the court without a jury. Except as otherwise provided in this section, the Federal Rules of Civil Procedure shall apply in each such proceeding. If a master is appointed pursuant to Rule 53 of the Federal Rules of Civil Procedure, such master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

"(e) The court may grant such temporary relief or restraining order as it deems appropriate pending final disposition of any proceeding under this section, but only after publicly hearing testimony of witnesses with opportunity for cross-examination in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered; and only after the court finds—

"(1) that one or more acts constituting an unfair labor practice have been committed and will be continued unless restrained;

"(2) that substantial and irreparable injury to the complainant will follow;

"(3) that as to each item of relief granted, greater injury will be inflicted by the denial of relief than will be inflicted by the granting of relief; and

"(4) that complainant has no adequate remedy at law. The Act of March 23, 1932, entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes' shall not apply to any proceedings under this section, except that section 10 of such Act, providing for expeditious review of temporary injunctions, shall apply with respect to any temporary relief or restraining order issued under this section.

"(f) If the court finds that any person named in the complaint has engaged in or is engaging in any unfair labor practice is charged in the complaint, the court shall enjoin such person from engaging in such unfair labor practice, and shall order such person to take such affirmative action, including reinstatement of employees with or without back pay (but not including the payment of damages in any other form), as may be necessary to enforce compliance with the provisions of this Act which such person is found to have violated. Where an order directs reinstatement of an employee, back pay shall be required of the employer, or the labor organization, or both, in such proportion as the court shall assess responsibility for the discrimination suffered by him. No order of the court shall require the reinstatement of any individual as an employee who has been suspended or discharged, or the payment to him of any back pay, if such individual was suspended or discharged for cause. In determining whether a violation of section 8(a)(1) or section 8(a)(2) has occurred, the determination shall not be affected by whether the labor organization concerned is affiliated with a national or international labor organization.

"(g) For the purposes of this section courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal office, (2) in any district in which its officers or agents are engaged in promoting or protecting the interests of employee members, or (3) in any district in which the unfair labor practice is alleged to have oc-

cured. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit."

SEC. 205. Section 11 of such Act is amended by striking out "and section 10" in the matter preceding paragraph (1); by striking out "or proceeded against" in the first sentence of paragraph (1); and by striking out "Complaints, orders." in paragraph (4) and inserting in lieu thereof "Orders".

SEC. 206. Section 14(c) of such Act is repealed.

SEC. 207. (a) Any proceeding under section 10 of the National Labor Relations Act which is pending before the National Labor Relations Board on the date of enactment of this Act shall be continued by the Board if the hearing provided for in subsection (b) of such section, as in effect immediately prior to the enactment of this Act, has been completed, and if, within thirty days after the date of enactment of this Act, the person aggrieved by the unfair labor practice in question requests the Board to continue the proceeding. Upon request of any such person, the General Counsel of the National Labor Relations Board shall appear and represent such person in proceedings under this subsection before the Board and the courts. The Board shall act in such proceeding, and its action may be enforced or reviewed by the courts, in the same manner and with the same effect as if this Act had not been enacted, except that—

(1) any enforcement proceeding under section 10(e) shall be instituted by the party seeking enforcement of the Board's order, or the General Counsel of the National Labor Relations Board, and thereupon the Board shall certify and file in the court a transcript of the entire record in the proceedings;

(2) the Board shall not appear in any proceeding under section 10(e) or 10(f); and

(3) if the court orders additional evidence to be taken in any proceeding under section 10(e) or 10(f), it shall be taken before a master designated by the court; the master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing such duties.

(b) Where the Board has issued an order under section 10 of the National Labor Relations Act before the date of enactment of this Act, a proceeding in court for the enforcement or review of such order may be instituted after such date in the same manner and with the same effect as though this Act had not been enacted, except that the provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall apply to such proceedings.

(c) Any proceeding under section 10 of the National Labor Relations Act which is pending in any court on the date of enactment of this Act shall be continued as if this Act had not been enacted.

(d) Where a charge of an unfair labor practice is pending before the National Labor Relations Board on the date of enactment of this Act, and the hearing provided for in section 10(b) of the National Labor Relations Act, as in effect immediately prior to the enactment of this Act, has not been completed, and time limit provided for in section 10(b) of such Act, as amended by this Act, for filing a charge or complaint based on the same acts has expired, a charge or complaint may nevertheless be filed under such section at any time within thirty days after the date of enactment of this Act.

ELEMENTARY AND SECONDARY EDUCATION ACT AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1144

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

Mr. GURNEY. Mr. President, I am planning to offer an antibusing amendment to S. 1539, the Education Amendments of 1974.

I stress the term "antibusing" to point out the difference between my amendment and that language contained in title VIII of the bill. I propose to strike the existing title VIII and insert instead antibusing language similar to that recently passed by the House.

Specifically, this amendment prohibits forced busing for desegregation to any but the next closest school to the student's home. Even busing this distance must be a "last resort" after some seven other remedies, or combinations thereof, have been tried and proved ineffective. In addition, this language affords the Swann protection against busing which would endanger the student's health or educational process.

Another important part of this amendment prohibits practices which deny equal educational opportunity. This includes practices such as deliberate segregation, discrimination in employment and assignment of faculty, and failure to take action to overcome language barriers. In other words, this amendment presents a constructive, rather than destructive approach to the task of providing an equal education for everyone.

Once a school system is desegregated, the amendment provides that no subsequent population shift shall, per se, constitute a cause for civil action for a new desegregation plan.

Before taking civil action, the attorney general must notify a school district of violation, and must certify to the appropriate district court that no remedial action has been taken after a reasonable time.

The amendment provides for reopening of existing court order cases, so that they may be modified to comply with this bill.

Finally, court orders shall be terminated if a court finds that a unitary school system exists.

I believe this amendment represents a sane and workable solution to a problem which is causing frustration, anger, and even violence among our people and in our schools. Time and again, the newspapers report incidents of racial violence and disruption in our schools; time and again parents and other interested citizens voice loud objections to the practice of forced busing; time and again we here in Congress engage in lengthy debate on this issue; and yet time and again Congress has refused to take a decisive stance.

This present Senate bill, for example, purports to prohibit busing. What we have in this bill without my amendment is not antibusing at all. On the contrary, this title might be aptly substituted "The Handyman's Guide on How To Bus."

The bill provides that no provision of this act shall be construed to require busing to overcome racial imbalance. This is legalese for buckpassing. The present bill doesn't prohibit busing—it merely signals the courts to use some other statute or legal precedent as the authority for forced busing orders. And that is exactly what the courts are doing.

Furthermore, and I think this is perhaps the most crucial point, there is absolutely no prohibition on the courts to halt busing orders. It is the courts who order busing, and it is the courts who will continue to order busing as long as this Senate language stands.

The Senate provision is no more than a restatement of language which is already law—title VIII of Public Law 92-318, to be exact. Why, we might ask, should we be reconsidering the same language? If this same language is so effective, then why is it still necessary for us to be dealing with the busing question at all? If the law is so effective, then why are there still dozens of bills pending in both the House and Senate to do away with busing?

I think the answer is clear. The people are not satisfied. They know that this smoke-screen language means nothing when it comes to stopping busing, and the people are pretty fed up with this whole show.

The amendment I am proposing represents what I feel to be the most effective statutory remedy available and I hope that my colleagues will join me in this effort.

I ask unanimous consent that a copy of my 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. 1144

On page 384 beginning with line 1, strike out through line 8 on page 388 and insert in lieu thereof the following:

TITLE VIII—EQUAL EDUCATIONAL OPPORTUNITIES SHORT TITLE

SEC. 801. This title may be cited as the "Equal Educational Opportunities Act of 1974".

PART A—POLICY AND PURPOSES

DECLARATION OF POLICY

SEC. 802. (a) The Congress declares it to be the policy of the United States that—

(1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and

(2) the neighborhood is the appropriate basis for determining public school assignments.

(b) In order to carry out this policy, it is the purpose of this Act to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.

FINDINGS

SEC. 803. (a) The Congress finds that—

(1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin denies to those students the equal protection of the laws guaranteed by the fourteenth amendment;

(2) for the purpose of abolishing dual schools solely on the basis of race, color, sex,

thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students;

(3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amounts of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;

(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect", and have not established a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems.

PART B—UNLAWFUL PRACTICES

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 804. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with part D of this title, to remove the vestiges of a dual school system;

(c) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency of providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below;

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instruction programs.

BALANCE NOT REQUIRED

SEC. 805. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT ON NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 806. Subject to the other provisions of this title, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its site for the purpose of segregating students on such basis.

PART C—ENFORCEMENT

CIVIL ACTIONS

SEC. 807. An individual denied an equal educational opportunity, as defined by this title may institute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this title referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

EFFECT OF CERTAIN POPULATION CHANGES ON CIVIL ACTIONS

SEC. 808. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION BY THE ATTORNEY GENERAL

SEC. 809. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 807.

INTERVENTION BY ATTORNEY GENERAL

SEC. 810. Whenever a civil action is instituted under section 807 by an individual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 811. The Attorney General shall not institute a civil action under section 807 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of part B of this title; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate action.

ATTORNEYS' FEE

SEC. 812. In any civil action instituted under this Act, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorneys fee as part of the costs, and the United States shall be liable for costs to the same extent as a private person.

PART D—REMEDIES

FORMULATING REMEDIES; APPLICABILITY

SEC. 813. In formulating a remedy for a denial of educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

PRIORITY OF REMEDIES

SEC. 814. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or of the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 815;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 815 and 816 of this title.

TRANSPORTATION OF STUDENTS

SEC. 815. (a) No court, department, or agency of the United States shall, pursuant to section 814, order the implementation of a plan that would require the transportation of any student to a school other than the school closets or next closest to his place of residence which provides the appropriate grade level and type of education for each student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 816. In the formulation of remedies under section 813 or 814 of this title the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 817. Nothing in this title prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this title, nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this title, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEEDINGS

SEC. 818. On the application of an educational agency, court orders, or desegregation plans under title VI of the Civil Rights Act of 1964 in effect on the date of enactment of this title and intended to end segregation of students on the basis of race, color, or national origin, shall be reopened and modified to comply with the provisions of this title. The Attorney General shall assist such educational agency in such reopening proceedings and modifications.

LIMITATION ON ORDERS

SEC. 819. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws shall, to the extent of such transportation, be terminated if the court finds the defendant educational agency is not effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto. No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found to be effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto.

TERMINATION OF COURT ORDER

SEC. 820. Any court order requiring the desegregation of a school system shall be terminated, if the court finds the schools of the defendant educational agency are a unitary school system, one within which no person is to be effectively excluded from any school because of race, color, or national origin, and this shall be so, whether or not such school system was in the past segregated de jure or de facto. No additional order shall be entered against such agency for such purpose unless the schools of such agency are no longer a unitary school system.

PART E—DEFINITIONS

DEFINITIONS

SEC. 821. For the purposes of this title—

(a) the term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801 (k) of the Elementary and Secondary Education Act of 1965;

(b) the term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965;

(c) the term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin;

(d) the term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Act of 1964; and

(e) an educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

PART F—MISCELLANEOUS PROVISIONS

REPEALER

SEC. 822. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 823. If any provision of this title or of any amendment made by this title, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this title and of the amendments made by this title and the application of such provision to other persons or circumstances shall not be affected.

Amend the Table of Contents by striking out title VIII and items 801 through 806, and inserting in lieu thereof the following:

TITLE VIII—EQUAL EDUCATIONAL OPPORTUNITIES

Sec. 801. Short title.

PART A—POLICY AND PURPOSE

Sec. 802. Declaration of policy.
Sec. 803. Findings.

PART B—UNLAWFUL PRACTICES

Sec. 804. Denial of equal educational opportunity.
Sec. 805. Balance not required.
Sec. 806. Assignment on neighborhood basis not a denial of equal educational opportunity.

PART C—ENFORCEMENT

Sec. 807. Civil actions.
Sec. 808. Effect of certain population changes on civil actions.
Sec. 809. Jurisdiction by the Attorney General.
Sec. 810. Intervention by Attorney General.
Sec. 811. Suits by the Attorney General.
Sec. 812. Attorney's fees.

PART D—REMEDIES

Sec. 813. Formulating remedies; applicability.
Sec. 814. Priority of remedies.
Sec. 815. Transportation of students.
Sec. 816. District lines.
Sec. 817. Voluntary adoption of remedies.
Sec. 818. Reopening proceedings.
Sec. 819. Limitations on orders.
Sec. 820. Termination of court orders.

PART E—DEFINITIONS

Sec. 821. Definitions.

PART F—MISCELLANEOUS PROVISIONS

Sec. 822. Repealer.
Sec. 823. Separability of provisions.

INDEPENDENT SAFETY BOARD ACT OF 1974—AMENDMENTS

AMENDMENT NO. 1145

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

Mr. CANNON (for himself and Mr. MAGNUSON) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 2401) to promote safe transportation of people and property in commerce by establishing the National Agency for Transportation Safety as an independent agency of the United States to investigate transportation accidents, to make recommendations for avoiding such accidents, to represent the safety interests of the public before regulatory agencies, and for other purposes.

NOTICE OF CHANGES IN HEARINGS ON THE OMNIBUS CIRCUIT JUDGESHIP BILL

Mr. BURDICK. Mr. President, I wish to announce that the hearing of the Subcommittee on Improvements in Judicial Machinery on the omnibus circuit judgeship bill, S. 2991, previously noticed for April 23, 1974, will be held in room 6202, Dirksen Office Building at 10 a.m., rather than in room 2228, Dirksen Office Building.

Also, Chief Judge Kaufman of the Second Circuit will testify on April 10, rather than on April 23 in room 2228, Dirksen Office Building, and Judge Heaney of the Eighth Circuit will testify on April 23, rather than on April 10, in room 6202, Dirksen Office Building, as previously noticed in the RECORD of March 20, 1974.

NOTICE OF GI BILL EDUCATION HEARINGS

Mr. HARTKE. Mr. President, as chairman of the Veterans' Affairs Committee, I would like to announce that the Subcommittee on Readjustment, Education, and Employment which I am privileged to chair will continue hearings on S. 2784, the Vietnam Era Veterans Readjustment Assistant Act of 1974, H.R. 12628, and other measures pertaining to the GI bill educational assistance program for veterans, at 10 a.m. on April 10 and 11. Those interested in testifying or in submitting a statement or other materials for the consideration of the subcommittee should contact Mary Whalen of the committee's staff at 225-9126.

In addition, field hearings on Vietnam era veterans readjustment assistance are also scheduled for April 18 in Bloomington, Ind., and in Columbia, S.C., on April 20. Finally, 2 days of hearings dealing first with specific aspects of institutional qualification for, and administration of, GI bill benefits; and second, with employment assistance for veterans will be scheduled for the month of April.

NOTICE OF ROOM CHANGE FOR HEARINGS ON SECTION 128 OF STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, on behalf of the Senate Committee on Interior and Insular Affairs and the Senate Subcommittee on Permanent Investigations, I want to announce a room change for the hearings in section 128 of S. 3267, the Standby Energy Emergency Authorities Act, scheduled for Thursday, April 4, at 10 a.m.

The morning session has been moved to room 1202 of the Dirksen Senate Office Building. The afternoon session will be held in room 3110 of the Dirksen Office Building as originally planned.

NOTICE OF HEARING BEFORE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS—WIC FEEDING PROGRAM

Mr. HUMPHREY. Mr. President, on Friday, April 5, I will be privileged to chair a hearing before the Select Committee on Nutrition and Human Needs, to examine questions surrounding the WIC supplemental nutrition program for pregnant women and for infants and children.

The hearing will be held in room 1318 of the Dirksen Senate Office Building, and will begin at 10 a.m.

Six witnesses are scheduled to testify

on several aspects of the WIC program and its administration by the U.S. Department of Agriculture.

A very important study has recently been completed, providing some of the first solid scientific evidence linking low birth weight and learning difficulties. We have long suspected this connection, but now there are hard scientific data. The witness presenting this testimony will be Rosalyn Rubin, Ph. D., associate professor and project director of the University of Minnesota Department of Special Education.

Other witnesses will include:

Edward C. Hekman, Administrator, Food and Nutrition Service, USDA.

Dr. George Cunningham, M.D., M.P.H., president of the Association of State and Territorial Maternal and Child Health and Crippled Children's Directors, Piedmont, Calif.

Miss Patricia Fitzgerald, WIC administrator, Illinois Department of Public Health, and Dr. Mani Sashankar, administrator of the East St. Louis, Ill., East Side Health District.

Robert Waln, chairman of the Tribal Health Board, Rosebud Reservation, Rosebud, S. Dak.

Among questions we intend to explore are the continuing failure of USDA to write satisfactory regulations for the administration of the WIC program; insufficient funding of the program, with applications for sponsorship far in excess of the program's budget capabilities, and related problems.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Senate Subcommittee on Constitutional Amendments is scheduling further hearings on two proposed amendments to the Constitution: Senate Joint Resolution 119, for the protection of unborn children and other persons, and Senate Joint Resolution 130, to guarantee the right of life to the unborn, the ill, the aged, or the incapacitated. This hearing will be held on Wednesday, April 10, in room 1202, Dirksen Senate Office Building at 10 a.m.

Any persons wishing to submit statements for the hearing record should contact the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

CONGRESS MUST REVISE ADMINISTRATION'S FISCAL YEAR 1975 BUDGET

Mr. HUMPHREY. Mr. President, the President's budget is his most important message to the American people. It outlines the Nation's commitments and priorities, the manner in which the Government is to attack the problems that face us. And it projects the political ideology of the administration.

A budget is more than a document of cost accounting. It represents the President's view of the Nation as it is and as it should be. It is a document of political philosophy, of expenditures and revenues, of priorities and commitments.

In examining the fiscal 1975 budget, one fact stands out: in only one area has the President made a clear commitment—national defense. With this exception, there were no priority decisions made in assembling this budget. Most programs just continue along not quite keeping pace with inflation.

The fiscal 1975 budget is essentially a "stand pat" budget. It makes no new initiatives. It moves us no closer to the goals we have set before ourselves.

The President has discussed national health insurance, but the budget explains that this program is not to begin until 1977. He has urged welfare reform, but there is no proposal in the budget. The President has proposed raising the level of unemployment insurance benefits, but again not until 1977. With the exception of national defense, this is a do-nothing budget.

America's working families cannot accept massive layoffs, surging prices, and economic stagnation. The failure of the present administration to address such problems effectively, threatens the livelihood of our workers and puts the well-being of their families on the line.

This is the time for an aggressive assault on our Nation's economic ills, and not the time for the "neutral" budget we have been presented by the President.

AN OVERVIEW OF THE FISCAL YEAR 1975 BUDGET

The fiscal year 1975 budget requests expenditures totaling $304.4 billion in the 1975 fiscal year, $29.8 billion above 1974, and estimates receipts of $295 billion, leaving a budget deficit of $9.4 billion.

The major increases in outlays in fiscal year 1975 over 1974 are shown in table I. Also shown are the percentage changes that they represent. Mr. President, I ask unanimous consent that this table be included in the RECORD at this point in my remarks.

TABLE 1.—ESTIMATED INCREASE IN FISCAL 1975 OUTLAYS AND AUTHORITY BY FUNCTION

[Dollar amounts in billions]

	Outlays increases over fiscal year 1974		Authority increases over fiscal year 1974	
	Amount	Percent	Amount	Percent
National defense	7.2	8.9	6.9	7.8
International affairs and finance	.2	5.6	−0.6	−12.2
Space research and technology	.1	3.0	.2	6.8
Agriculture and rural development	−1.3	−32.4	.8	11.4
Natural resources and environment [1]	1.5	20.7	−3.7	−38.0
Offshore oil receipts	.9	12.4	.9	12.4
Commerce and transportation	−.1	−0.9	−8.4	−36.6
Community development and housing	.2	4.0	1.4	28.8
Education and manpower	0.7	6.6	−2.3	−16.6
Health	3.0	13.0	1.9	7.1
Income security	15.1	17.7	11.0	11.8
Veterans	.3	2.5	0.3	2.1
Interest	1.4	4.9	1.4	4.9
General government	(2)	0.4	0.4	6.3
General revenue sharing	0.3	0.4	0.2	2.5
Allowances	1.3	(3)	1.8	(3)
Undistributed intragovernmentals	−0.8	−7.6	−0.8	−7.6
Total	29.8	10.8	11.3	3.6

[1] Excludes all offsetting receipts, mainly from offshore oil.
[2] Less than $50,000,000.
[3] Not computed.

Mr. HUMPHREY. Mr. President, it is most useful to review the percentage changes with the rate of inflation in mind. For, in a world of rising prices, allowing spending levels, in dollar terms, to rise less than inflation is equivalent to an actual reduction in activity. Therefore, I suggest we keep in mind that during 1973, consumer prices rose 8.8 percent and wholesale prices rose 18.2 percent.

NATIONAL DEFENSE

To examine the budget, we must first separate defense spending from civilian spending.

The fiscal 1975 budget shows obligational authority for the Defense Department increasing from $87.1 to $92.6 billion, and the Department of Defense argues that the increase is required to cover pay and price increases.

However, the actual defense spending increase planned by the administration would total almost $10 billion. Included in the $87 billion is a $2.1 billion supplemental request for new weapons. Normally, supplemental appropriations are reserved for such things as emergencies or cost overruns. To make a supplemental request for new weapons when there is no emergency is abnormal and creates a misleading impression about the relative size of the fiscal 1974 and 1975 defense budgets. If we move this $2.1 billion out of 1974 and into 1975 where it properly belongs, then the total DOD obligational authority for 1974 is $84.8 billion and for 1975 it is $94.7 billion.

If we accept DOD's estimate of the increase necessary to cover inflation, we observe an increase in constant dollars of almost $4½ billion. However, when we examine the controllability of national defense spending and observe that nearly 70 percent of this spending is relatively controllable in any one year, there can be no doubt that this administration places its highest priority on increasing national defense spending in real terms.

Outlays for national defense will rise from $76 billion in fiscal 1973 to an estimated $80.5 billion in 1974 and $87.7 billion in 1975. This reverses the downward trend that took place beginning in 1969 when outlays reached the Vietnam war peak of $81.2 billion. Table II shows national defense outlays in current dollars from 1969 to 1975:

Table II.—National defense outlays—fiscal years

[Billions of current dollars]

1969	81.2
1970	80.3
1971	77.7
1972	78.3
1973	76.0
1974 (estimate)	80.6
1975 (estimate)	87.7

While I have always agreed that we must maintain a strong national defense, defense spending should not be rising at this time. The improved relations with the Soviet Union and China have reduced tensions between those two countries and ourselves. The withdrawal of U.S. forces from the war in Vietnam has sharply curtailed expenditures for that costly engagement. The Strategic Arms Limitation Treaty should result in a slowing down of the nuclear arms race.

It is also clear to me that civilian and military personnel levels in the Defense

Department could be substantially reduced without diminishing the national security of the United States. The same holds true, I believe, for a number of foreign bases maintained by the U.S. Armed Forces around the world.

The most objectionable increase in the defense budget is the $1 to $4 billion added by the White House to stimulate our domestic economy. The use of the defense budget for this purpose, as admitted by the Secretary of Defense, is, in my opinion, the wrong way to push our sluggish economy ahead. Economists representing all spectrums of political and economic philosophy agree that increased military spending produces fewer jobs, less income, and more inflation than almost any other possible use of such funds by the Government.

The United States is fully capable of maintaining a Military Establishment second to none in the world without further increasing the already extremely high defense budget. The present baseline defense force structure was described by the administration last year as sufficient to meet our military requirements. The real costs of our forces should not be increased. A strong case can be made for reducing the size of our defense forces, rather than for increasing them as is proposed in this year's budget.

DOMESTIC PROGRAMS

Turning to the civilian side of the budget we get a different picture. Total civilian outlays are estimated to rise from $194.1 billion in fiscal 1974 to $216.7 billion in fiscal 1975—an increase of $22.6 billion. Now let us examine this change to see how much of it reflects administration decisions.

The largest increase comes in various income security programs—social security, adult welfare, unemployment compensation, food stamps, and so forth. This represents $15.1 billion of that total $22.6 billion. The administration had little say in this increase. These programs were enacted into law by Congress—usually over the administration's objections—and they are considered uncontrollable in preparing the President's budget. Another increase was for medicare and medicaid—$2.7 billion. Again, the costs are beyond the President's control. The budget shows increased spending for interest on the national debt, civilian pay raise to compensate for inflation, and various other items over which the President has no control.

However, there remains a critical portion of the domestic program budget over which the President has direct control and which reflects administration policies and priorities on meeting the needs of the people of America.

The following is a brief outline of what the President is proposing in his fiscal 1975 budget for some major domestic Federal program areas.

1. EDUCATION

The Nixon administration's budget request for education programs administered by the Department of Health, Education, and Welfare totals $6.15 billion for the fiscal year 1975.

This represents a $14 million increase over appropriations for the current fiscal year. However, with the impact of inflation, the Federal Government will actually be reducing the real value of its education support by 6 to 8 percent.

We must increase Federal assistance to our schools to provide quality education for all Americans, with less reliance on the inequitable property tax. The administration's budget for education fails to make the needed commitment to education, as exemplified by the current controversy between Congress and the President over continued assistance to our elementary and secondary schools.

2. HEALTH

The major Nixon administration initiative in the fiscal 1975 budget was to be its national health insurance proposal. However, when the rhetoric is eliminated, one finds no money in the budget to support this proposal until the 1977 fiscal year.

In the meantime, the administration proposes cutting $546 million from the level of this year's Department of Health, Education, and Welfare health program budget authority, excluding medicare and medicaid, bringing the proposed level for fiscal year 1975 to $4.8 billion.

Federal support in fiscal 1975 would be reduced, in real terms, by from 16 to 18 percent.

The major programs destined for the administration's axe are: Hospital construction, the regional medical program, community mental health centers, training for health personnel, and grants for alcoholism treatment.

The administration's attempt to confuse the public by vastly overstating its commitment to health programs, at the same time it is cutting controllable programs, is the kind of political double talk that destroys the credibility of Government with the people.

3. MANPOWER

Despite a huge jump in unemployment from 4.6 percent in October to 5.2 percent in February, and predictions that unemployment will top 6 percent this year, the administration's budget proposes spending about the same amount in fiscal year 1975 for manpower training and public service jobs as it will this year.

Manpower training spending will be $4.83 billion in fiscal 1975 compared to $4.81 billion in fiscal 1974. The $600 million program for public service jobs from July, 1974 to June, 1975 would create only 85,000 jobs. However, the number of people without jobs has already risen by 700,000 from October 1973 to February 1974.

At a time when a major initiative by the Federal Government is needed to get people back to work, the administration has adopted a "wait and see" policy.

The fiscal 1975 budget holds out little hope for expanding job opportunities to our Nation's nearly 5 million unemployed persons.

4. POVERTY PROGRAMS

The Nixon budget once again calls for dismantling or parceling out poverty programs run by the Office of Economic Opportunity.

In continuing its retreat from responsibility toward the economically deprived in our Nation, the administration has requested no funds in fiscal 1975 for the OEO programs. All OEO programs will expire on June 30 of this year if Congress permits the administration to have its way.

Last year we were successful in keeping these programs alive through passage of a $329 million appropriation for the agency. Hopefully, Congress will again thwart the administration's efforts to dismantle these important programs.

5. ENERGY

The President requested an 81% increase in fiscal 1975 obligations for energy related research and development, up from $999.1 million to $1.8 billion.

While the administration's focus is still concentrated to too great an extent on nuclear power, there is a welcome modest shift of resources toward fossil fuels and other sources of energy. The increase requested for solar energy, up from $13.8 million in fiscal 1975 to $50 million in fiscal 1975, is particularly welcome.

However, I believe we must authorize levels of support for the various sources of energy in 5-year plans. Only with such indications of longer term levels of Federal support can the public and private institutions that must carry out this research and development work make the long term commitments of staff and resources that are necessary.

In general, I believe that these important programs can be funded at more reasonable levels than proposed in the administration's budget without increasing the budget deficit. We can also afford to undertake the new initiatives outlined in my remarks without substantially increasing the level of Federal spending. However, to do this we must cut back on some of the excessive spending proposals in the fiscal 1975 budget, particularly in the area of national defense. And we must also increase the effectiveness and equity in our tax system.

FISCAL YEAR 1975 BUDGET IMPACT ON MINNESOTA

The fiscal 1975 budget will do very little to help Minnesotans solve the many serious problems that we face. In many cases the funds available to our State and local governments will be significantly less than in prior years. The following are some important examples.

1. RURAL DEVELOPMENT

Minnesota would receive about $200,000 for water and sewer grants in fiscal 1975, or $5.8 million less than has been authorized for our State by Congress. Minnesota would receive only 20 percent—$200,000—of its authorized level for business and industrial development grants. The $6 million received by Minnesotans under the USDA's rural conservations in 1973 will be sharply reduced.

2. POVERTY PROGRAMS

There are now 35 Community Action agencies with 875 employees operating in Minnesota. Twenty-eight of these CAP's, funded by OEO, received $4.2 million in Federal funds in 1973. The Nixon administration budget would completely halt all Federal assistance to these agencies. Minnesota's CAP's would either fold or have to receive funding from the State or local governments. Further, the ability

of the State to continue the $4.7 million 1973 Headstart program without continuation of the CAP's is doubtful.

3. HOUSING AND URBAN DEVELOPMENT

During fiscal year 1973, Minnesota received almost $40 million under the five grant programs the administration hopes to consolidate in its Better Communities Act. However, given the need to have new housing and community development legislation enacted and regulations prepared by HUD before these programs are implemented, it is likely that only about $11.7 million will be available for these purposes in Minnesota in the coming year.

4. ECONOMIC DEVELOPMENT

The President's proposed new economic adjustment assistance program, outlined in the fiscal 1975 budget, will cost Minnesota millions of dollars. Minnesota would only receive about $1.6 million in Federal funds under this program in fiscal 1975 compared to $6.7 million in 1973 under the EDA and Upper Great Lakes Regional Commission programs it is supposed to replace.

5. EDUCATION

The impact of the Nixon administration's proposed consolidation of education grants on Minnesota is impossible to calculate precisely at this time. However, the total national increase of only $200 million in the consolidated program would make any increase for our State quite small.

The elimination of education aid to school districts with substantial numbers of children whose parents are employed by the Federal Government, as proposed by the President, would cost 56 school districts in our State over $3 million.

6. HEALTH

The fiscal 1975 budget would phase out the Hill-Burton program of funding for priority hospital construction. Minnesota has been receiving approximately $3 million annually under this program.

7. MANPOWER

While no specific figures are available, the significant reduction in funds available for public employment in the fiscal 1975 budget, when compared to previous years, and the new requirements for eligibility, are likely to result in fewer federally funded public service jobs in Minnesota. It is highly unlikely that the level of funding would approach the $21 million provided to Minnesota in fiscal 1973.

8. ENVIRONMENT

Continued impoundment by the Nixon administration of EPA sewage treatment construction funds means that in fiscal years 1973, 1974, and 1975 Minnesota will have lost a total of $170 million. In fiscal 1975 we are expected to receive about $64 million for this purpose.

HUMPHREY PROPOSALS FOR IMPROVING THE 1975 BUDGET

Several important steps must be taken by Congress to convert the "stand pat" Nixon administration budget into a series of programs and spending priorities that respond to the needs of America in the next few years.

While I do not claim to have the final answer to all our problems, I have been working on several specific legislative proposals that I believe would improve the fiscal 1975 budget in a number of important respects.

First, I believe that we must make a major commitment as a nation to develop the capacity to design our future rather than be forced to resign ourselves to it. The energy crisis and mass migration from rural America to our cities, are merely two recent examples of our complete failure to anticipate problems before they are upon us.

I have introduced legislation calling for the establishment of a "Balanced National Growth and Development Policy" and the creation of a series of institutions, at the local, State, and national level, to develop this policy and translate it into action.

The time is long overdue for the development of the policies and institutions needed to help our people cope with the rapidly changing and increasingly complex problems of the 20th century.

The Congress too must be modernized. The growth of power in the Presidency is at least in part a consequence of hardening of the arteries in Congress. While a powerful Chief Executive is needed in a modern democracy, all Americans lose if this is allowed to occur at the expense of a weakening in the influence of the "peoples branch" of Government—the National Legislature. While important steps have been taken to reform the budget process and increase the availability of expert assistance to Congress, more must be done. In the Modern Congress Act of 1974, S. 2992, I have proposed a series of steps that should be taken to move the Congress toward becoming a more effective and efficient institution.

More specifically, Congress should act immediately to reduce the impact of the energy crisis on American workers. I have offered legislation, the Energy Emergency Employment Act of 1974, S. 3027, that would provide an expanded program of training, counseling, and financial assistance, as well as public service jobs, to individuals who have lost their jobs as a result of the energy crisis.

Increased aid to education by the Federal Government is also needed. I have called for the creation of an education trust fund in the National Education Investment Act, S. 1817, to substantially expand Federal aid to our elementary and secondary schools. Such a fund would make it possible to move rapidly to equalize the opportunity for quality education, at the elementary and secondary level, for every child in America. It would also reduce the onerous and inequitable burden of the property tax on our citizens.

The continued sharp rise in the costs of health care for Americans, coupled with inadequate and frequently inaccessible health care resources, demand a continued Federal commitment to promoting medical research and health facilities, services, and increased professional manpower, as well as the establishment of a comprehensive national health insurance program for all our citizens. My legislative proposals have also addressed particular areas of urgent importance—the needs of the physically and mentally handicapped, the chronically ill and disabled, children and mothers whose lives are crippled by severely limited medical treatment and poor nutrition, and millions of elderly persons for whom the denial of home health services has meant despair and suffering.

I am also concerned that our growing Federal spending on energy research and development fully develop the potential of all energy sources. In particular, the potential of the inexhaustible, and cleanest source of energy—the Sun—must be thoroughly investigated. To date, solar energy has been given only limited attention by those responsible for the Federal energy research and development effort. To correct for this shortcoming and to assure an adequate long-term focus on solar energy, I have introduced the Solar Energy Research Act of 1974, S. 3234. This legislation would establish an Office of Solar Energy Research and authorize a $600 million development program to be undertaken during the next 5 years. I believe that such a focus and longer term commitment is essential, if we are to meet our future energy needs at the lowest possible cost to American consumers.

To better define the actual costs required for an effective system of national defense, and to help achieve a clearer perspective on the numerous factors that determine national security in an age of increasing interdependency among nations, I have proposed the creation of a Joint Congressional Committee on National Security.

Historically, matters of national security have been dealt with by a number of congressional committees. Each deals with its own piece, be it military spending and weapons systems, foreign trade policy, or treaties and political agreements, and none has the responsibility to look at the big picture and all of the interrelationships that exist.

I believe that such a joint committee would provide Congress with the kind of focus and perspective it needs to adequately assess the major questions of America's security.

One of our Nation's most urgent requirements is for the establishment of a system of reserves for our major grains. Such a system would assure an element of food security to our own people and to those in other nations who rely on our food production for their sustenance. Such a system would also provide our farmers with the added security of a Government purchasing system to build reserves in times of surplus grain production. I have introduced the Consumer and Marketing Reserves Act of 1974 to establish such a system.

We must also take the lead in the creation of an international grain reserves system. Such a system, in which all producing and consuming nations would share the benefits of the system as well as the burdens of its management, would greatly increase world food security. This would be of particular value to the world's poor, many of whom live on the verge of starvation in the food deficient areas of the world.

These are but a few of the many proposals that Congress should adopt to convert the timid Nixon administration fiscal 1975 budget into the vital program of action that America needs in the mid-1970's.

THE ECONOMIST REPORTS NORTH VIETNAM CAMPAIGN AGAINST AMERICAN AID TO SOUTH VIETNAM

Mr. HELMS. Mr. President, recently the noted London-based journal, The Economist, published a perceptive analysis of an ongoing campaign by the North Vietnamese to persuade the Congress of the United States to cut back on economic aid to South Vietnam. This analysis is strikingly similar to that made by Graham A. Martin, U.S. Ambassador to South Vietnam in a telegram made public in response to an article published in the New York Times. Both the Times article and Ambassador Martin's analysis of it appeared in the RECORD on March 21, 1974, at page 4187.

The thrust of the Economist report is that for the next several years, the battle in South Vietnam will be one centered around South Vietnam's economy. By posing a large military threat to the Government of South Vietnam, the North Vietnamese hope to limit the extent to which the South Vietnamese can pare down their armed forces and thereby divert economic resources into the nonmilitary sector of the economy. The Economist points out—

> The real war is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better.

While the North Vietnamese have their problems, Mr. President, they also have ready and generous backers. Therefore, I feel that our allies and friends in the south must count on the continued support of the United States in this struggle of economic attrition. The end of this economic support, more than any battlefield victory, is the primary goal of North Vietnamese strategic thinkers and planners, who know that any further cuts in American aid will be slicing into red meat rather than merely being a trimming of fat. In this regard, the Economist points out that—

> North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime they might as well be replaced by communists. Since communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Mr. President, already we have heard these arguments, and heard them repeatedly, in the debate over further aid to South Vietnam, and I am sure that we shall hear them some more before the debate has ended. And let us not delude ourselves, Mr. President, into thinking that we have any leverage over the North Vietnamese by our threats of denying them American economic aid to rebuild their country. This will not stop their imperialist aggression in the South.

The Economist's analyst has hit the nail right on the head:

> They are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

Mr. President, so that our colleagues may have the benefit of the Economist's excellent analysis, I ask unanimous consent that the Economist article entitled "The Sword Pulled Aside" be printed in the RECORD at the conclusion of my remarks.

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

[From the Economist, Mar. 16, 1974]

THE SWORD PULLED ASIDE

The next big push in South Vietnam by the North Vietnamese and the Vietcong may not now come this year, and very likely not next year either. The aim of North Vietnamese government presumably remains what it always was: to unite Vietnam under a communist government. But the North Vietnamese appear to have reached the conclusion that an attempt to bring that about by sending their army into the attack again in the next year or two would either be defeated, or must be abandoned for other reasons. The sword suspended over South Vietnam's head may for the moment have been withdrawn.

There are many signals of this change of tack. Not much has been seen or heard of General Giap, the principal architect of the great offensives of 1968 and 1972, over the past six months. In a major resolution, the Hanoi politburo recently declared that the economic reconstruction of North Vietnam is its immediate priority. Still more revealing is a Vietcong document captured earlier this year (the so-called Cosvn resolution 12) which shows that the communists are thinking in terms of a campaign that could last until 1980, and will be physchological and economic as much as military.

It has been suggested that the North Vietnamese are playing things quietly in the hope of getting a large amount of aid from the Americans. If they indulge in such hopes at all—and they know as well as anyone how hard it has become to squeeze any kind of aid out of Congress, most of all for so recent an enemy—the idea is almost certainly marginal to their calculations. To begin with, North Vietnam is receiving about as much economic aid as it can usefully absorb from its Russian and Chinese backers, who sent a million tons of rice last year. Spanking new tractors, generators and machine tools are piled up along the road between Hanoi and Haiphong. Even the Swedes are contributing.

So American money is not a sufficient reason for the communists' restraint. But the North Vietnamese, having seen how American aircraft and American-made anti-tank missiles defeated their armoured units two years ago, will be inclined to hold back from a new offensive until they are quite sure that the Americans are unable to do anything to resist it. The effort they have put into restoring their anti-aircraft defences shows that, despite Watergate, they still think President Nixon is capable of hitting back. Their tactic is therefore to wind down the war to a pitch they judge the South Vietnamese economy cannot stand, but American opinion can accept without reacting.

For the next couple of years this will be largely a war for South Vietnam's economy. The military threat limits the extent to which the South Vietnamese can pare down their armed forces, the biggest drag on the country's weak economy. The real war in Vietnam today is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better. The North Vietnamese have their problems too; they have not yet recovered from the effects of the American bombing, or from the typhoons that wiped out a fifth of their rice crop last year. They are short of manpower, and above all of skilled management. But they have reliable, and generous, outside backers. The South Vietnamese, in contrast, cannot be very confident about the future generosity of the Americans.

South Vietnam's war is still paid for in American dollars. But at a time of unprecedented world commodity prices, American economic aid has been pruned back from $385m in 1972 to $320m last year. Congress is being asked to approve an additional $150m this year, but it may take a struggle to maintain even the 1973 aid when the issue comes up next month. Yet the need is obvious. South Vietnam's economic troubles are the result of bad luck as well as the distortions of war. The price of fuel in Saigon has been multiplied by 10 in the past two years. Inflation is running an an annual rate of 50 per cent, and real wages have dropped to a third of what they were in 1964. The effects of all this on morale can be imagined.

THE NEXT CUT WOULD DRAW BLOOD

The South Vietnamese picked up expensive habits from the Americans but now, out of necessity, they are learning not to throw money away by the bucketful in wasted ammunition or redundant consumer goods. The average South Vietnamese battalion is operating on a fifth of the ammunition and a tenth of the fuel that used to be consumed by an American battalion. The problem is that—short of a miraculous off-shore oil discovery—there is no way that South Vietnam can make itself anywhere near self-sufficient in the rest of this decade. Further cuts in American aid will be slicing into the red meat, not the fat.

North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime they might as well be replaced by communists. Since the communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Such arguments will be heard repeatedly in the debate over aid for South Vietnam. The North Vietnamese are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

GRIZZLY BEARS—KILL OR PROTECT?

Mr. CRANSTON. Mr. President, on March 20, 1974, I had printed in the RECORD a copy of my letter to John R. McGuire, Chief of the U.S. Forest Service. In that letter I asked Forest Service

officials to suspend the annual grizzly bear hunting season in the national forests which surround Yellowstone National Park until a study by the Interior Department on the endangered status of the grizzly bear could be completed.

I am extremely disappointed in the response I have received from the Forest Service. I have written to Chief McGuire again to emphasize my deep concern that the grizzly bear will be well on its way to extinction before any action is taken to protect the animal.

I ask unanimous consent that the response from the Forest Service to my letter of March 14, and my most recent letter to the Forest Service be printed in the RECORD.

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

FOREST SERVICE,
Washington, D.C., March 19, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your recent request that the Forest Service suspend all grizzly bear hunting activities on the National Forest lands surrounding Yellowstone National Park.

The Forest Service has been under intense pressure from several national conservation organizations, as well as a large number of individuals, to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears.

According to our attorneys, we have such authority. However, it has been and continues to be our policy to rely on the States to set regulations governing the hunting of resident game species on National Forest administered lands. As you know, the Western States are sensitive to the "State's Rights" question as it relates to the management of resident wildlife species. We have been informed by Director James White of the Wyoming Game and Fish Department, that he would vigorously oppose any attempt by the Forest Service to regulate hunting of grizzly bears on National Forest lands in Wyoming. Also, such an attempt would be counter to our Memorandum of Understanding which is the basis of our cooperative wildlife work with the Wyoming Game and Fish Commission.

Grizzly bear hunting in Wyoming is on a very limited basis and hunters have been particularly unsuccessful in the spring hunt. In the past two years, only one bear has been killed in the spring hunt. On March 12, 1974, the Wyoming Game and Fish Commission passed a regulation prohibiting the baiting of grizzly bears in the Yellowstone ecosystem. This restriction should further curtail the opportunity of taking grizzly bears in Wyoming. It is difficult to believe that this level of legalized hunting is a threat to the bears in the Yellowstone ecosystem. If it is, we can only conclude that the grizzly bear certainly needs to be given the protection of the Endangered Species Act, at least in this ecosystem.

We recognize the need for the best and most complete data that is possible to obtain on both the grizzly bears and their habitats. Therefore, the Forest Service is participating in a joint grizzly bear study with the National Park Service, the Bureau of Sport Fisheries and Wildlife, and the involved States. As the study team assembles new data and develops recommendations for management, these data will be considered with the States in improving up present management of grizzly bears and their habitats. In the meantime, the best data we have supports the States contention that the few bears taken by legalized sportsmen hunting is not a threat to the continued existence, viable populations of bears on the National Forests surrounding Yellowstone Park.

Sincerely,

EVERETTE R. DOMAN,
(For John R. McGuire, Chief.)

U.S. SENATE,
Washington, D.C., March 28, 1974.

JOHN R. MCGUIRE,
Chief, U.S. Forest Service,
Washington, D.C.

DEAR MR. MCGUIRE: I have received your letter of March 19, 1974 about the grizzly bear hunt which will begin April 1, 1974 in the National Forests which surround Yellowstone National Park.

I take little comfort in your statement that during the past two years, only one bear has been killed in the spring hunt. You fail to note that during the fall hunting season, hunters are much more successful in killing grizzly bears for which hunting permits have been granted. Three more grizzly bears were killed during the fall season last year. In addition, four more bears were killed last fall by people other than sports hunters.

However, at issue is not the success or failure of the grizzly bear hunt during a particular season but the fact that this animal, which is threatened with extinction and for which we have no accurate population count, is the subject of persecution.

The Department of the Interior, under the authority of the Endangered Species Act of 1973, (Public Law 93-205), will initiate a study this week to determine both the population status of the grizzly bear and the extent to which this animal is endangered with extinction. I believe the Forest Service has the responsibility and the obligation both under Section 7 or P.L. 93-205 and under Forest Service regulations 36 CFR 261.111, to take action to ensure that the grizzly bear's continued existence is not jeopardized in any way until the Interior Department study is completed and the data evaluated.

You state that to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears would be counter to the Memorandum of Understanding between the two states and the Federal government relating to the management of resident wildlife species.

Extinction can be thwarted if we act in time. Therefore, the intent in temporarily halting the grizzly bear hunt is not to interfere with a state's right to manage its own resident wildlife but rather to ensure that an animal species—whose survival is of universal ecological concern—is not extinguished in the course of a jurisdictional dispute.

If the Wyoming Game and Fish Department will not defer the beginning of the spring hunting season, I believe the Forest Service must use its legal authority to do so, temporarily, until the Interior Department study is completed.

By not acting, the Forest Service is gambling with the survival of one of Amerca's greatest symbols of native wildlife. I urge the Forest Service to take the temporary action necessary to protect the grizzly bear.

Sincerely,

ALAN CRANSTON.

RECYCLING ROAD MATERIAL

Mr. GURNEY. Mr. President, I have had the recent opportunity to become familiar with a new concept in road construction and repair by a Florida company utilizing chemical soil stabilization, which involves the process of recycling old asphalt pavement overlays.

Mr. President, in my home State of Florida, 97 percent of the State-maintained highway system is constructed of asphalt cement. During the recent oil embargo, supplies of asphalt fell off sharply, thereby creating shortages and backlogs in the areas of road construction and repair. The resurfacing projects requiring immediate attention alone faces an estimated $100,000,000 backlog due to the shortage. Mr. President, we are all pleased that the oil embargo has been lifted; however, we must remember that the possibility still exists that the reimposition of this embargo could easily take place at any time. Therefore, we must encourage research into methods that conserve these valuable materials and enable us to plan ahead in maintaining our Nation's highway system.

The conventional method of road rebuilding and repairs, in which asphalt is dug up and hauled away to the dumps, not only wastes the substances and depletes our supplies of aggregates, but also poses a substantial solid waste disposal problem.

The method used by this Florida company is a simple one. Old asphalt is cured and bonded into a pavement equal or superior to new plant mix asphalt. This new process involves scarifying the existing roadway, dirt or asphalt, by breaking it into chunks. The chemical SA-1, which is dissolved in water, is applied to the surface, softens to a "mud" then is graded and compacted, finally hardening into a new asphalt surface.

This new method represents not only a great savings in raw materials, but a substantial financial savings as well. It takes about 10 times as much asphalt, plus a roadbed of rock, limestone, or other such bed materials to build a road the conventional way.

Using the chemical soil stabilizer, it is estimated that for a 20-foot-wide road with an 8-inch limerock base and a 1-inch asphalt overlay, such costs would only be $1,600 per mile. However, for a comparable job using the traditional method, the cost would run somewhere in the neighborhood of $4,000 to $5,000 per mile. Thus using the new method of chemical soil stabilization, a savings of almost one-third can be realized.

This chemical soil stabilization process may also be used for road repairs at a cost of approximately 5 cents per square yard. This method has been employed in several Florida communities, and recently at Miami International Airport with great success. Not only were cost and time to complete the job substantially reduced, but the roads have shown no signs of wear.

Mr. President, it is interesting to me, that although tests have proven roads constructed by this chemical soil stabilization process are equal or superior to roads constructed with conventional asphalt, builders refuse to take this new method seriously. Skepticism causes most builders to rely on conventional methods.

Mr. President, this new process represents a much-needed relief to the high cost of roads, and the utilization of this method also makes solid ecological sense.

I feel that every Member of Congress should be familiar with this new process, and investigate the possibilty of employing chemical soil stabilization in their own State.

In an effort to familiarize the Senate with this technological advancement in road construction, I have referred a copy of this new process to the Senate Commerce Committee, and I hope that this information will prove valuable in their study during the consideration of S. 1122, the Recycling Expansion Act of 1973 of which I am a cosponsor.

GEORGES POMPIDOU

Mr. HUMPHREY. Mr. President, I had the privilege of personally knowing the late Georges Pompidou, President of the Republic of France. He was a gracious and kind man, an effective leader, and a person of strong will. France has lost a leader who continually endeavored to succeed in achieving the great vision of Charles de Gaulle: the economic and political unification of Europe. President Pompidou carried on ably in the footsteps of his predecessor.

Throughout his tenure in public office, Georges Pompidou often expressed disagreement with the United States on key policy issues affecting the NATO Alliance and America's role in relation to the European Economic Community. Despite these differences, George Pompidou never questioned the basic historical foundation of friendship which has existed between France and the United States. This is an important fact which many Americans have forgotten as we attempted to deal with some of these differences in views.

The death of President Pompidou should cause us to reflect on the nature of Franco-American relations. I believe that we have been all too ready to misinterpret the French search for a European identity as a basic expression of anti-Americanism. I see no threat from a unified Europe. Indeed, throughout my public life I have actively promoted the idea. I am confident that the United States can effectively and fairly compete in the economic arena with a more unified Europe.

I strongly believe that there is no reason for a unified Europe to work counter to the basic international political objectives of the United States. This is especially the case if allies establish formal mechanisms of consultation and policy formulation. It is my hope that France would join in the establishment of such formal machinery which would tend to minimize the differences and conflicts which may arise.

Mr. President, in paying tribute to President Pompidou I wish to state that I do not believe we can afford to stray from our basic heritage of friendship and trust with France. It is in the interest of the United States to continue our efforts to work with this great nation and to resolve any differences that may exist within the context of cooperation and consultation.

SPACE SHUTTLE PROCESSING WORTH $2 BILLION ANNUALLY

Mr. GOLDWATER. Mr. President, recent testimony before the Senate Aeronautical and Space Sciences Committee reveals that the space shuttle can enable commercial processing in space having a market value of well over $2 billion.

Although the Space Shuttle has been fully justified as a money saving way of launching payloads into space, we now are beginning to see other uses for this vehicle—uses dimly perceived a year ago.

On October 31, the Aeronautical and Space Sciences Committee received testimony from David Keller, manager, advanced programs, Space Division of the General Electric Co. Mr. Keller told the committee that he had been able to identify more than 100 process areas which might be produced or manufactured in space and for which demand exists. He selected only 10 areas as examples which meet the three basic criteria of market demand, technical and economic feasibility.

Mr. President, I ask unanimous consent to place Mr. Keller's 10 selected areas in tabular form in the RECORD.

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

Space processing area:	*Annual value (in millions)*
10 typical vaccines	over $1,000
Livestock sperm	422
DC rectification and regulation crystals	100
Tungsten carbide components for oil pumps and valves	60–85
Aircraft turbine blades	36
Acoustic wave devices	100
X-ray targets	18
Glasses (scientific and optical)	10
Computer memory devices	380
Development of small electric motors	56
Total	2,182

Mr. GOLDWATER. Mr. President, the total comes to well over $2 billion a year; and the $2 billion total could well turn out to be a minimum figure, because only 10 areas of processing are covered.

Let us look at just three items on Mr. Keller's list:

First, we have a category entitled "10 typical vaccines" with an annual market value of over a billion dollars, and I quote:

The first group of applications is in the field of biological and pharmaceutical products—vaccines, serums, blood fractions, enzymes, and the like. The industry has spent millions of dollars over years of constant research to develop methods for refining and purifying these substances in production quantities. This is necessary because even infinitesimal traces of impurities can cause harmful side effects or disorders, and because the concentration of the active agents in some experimental vaccines is too low to make them really effective.

Such components can be separated or concentrated with a high degree of precision by a process called electrophoresis, a technique used routinely in medical laboratories today. It involves the application of extremely weak, electrical fields to solutions, causing biologicals to migrate and separate. Earth's gravitational force, however, causes settling and convection currents. Consequently, the liquids must be confined in very thin films or membranes, thus limiting the usefulness of the procedure to small-quantity testing. Gamma globulin, the blood fraction used as a specific treatment for several diseases, was first identified by the electrophoretic method.

Because no settling or convection should occur in a Zero-G environment, electrophoresis could be used as an on-line processing technique for quantity production to separate desirable components from impurities. Two small experiments have already been performed on the Apollo flights, beginning the development of this promising space processing technique.

The processing of each of the ten most-used vaccines could be done advantageously by this method. It is difficult to quantify the social benefits of such products. Economically, however, let's project a market in which the usage level of vaccines by all nations were to approach that of the United States. This would require the processing of only one ton per year total of ten typical vaccines with an estimated annual value over a billion dollars.

Dr. Milan Bier, research biophysicist at the University of Arizona, among others, has cited the potential for the electrophoretic method in obtaining high purity blood proteins and other fractions not obtainable by existing methods. Such fractions could give earlier and surer detection of diseases such as hemophilia and anemia.

Space processing holds promise for the separation of Iso-enzyme to be used in the production of specific antibodies. These substances produce specific antibody reactions to specific disorders and diseases.

Their isolation and analysis in space could lead to early and positive identification of certain cancers, sickle cell anemia, diabetes, and specific types of hitherto undetectable heart ailments.

The second item, "livestock sperm," has an annual value of $422 million and could bring the American consumer better and cheaper meat and at the same time provide a better living for the Nation's farmers. Mr. Keller described the market in these terms. I quote:

Electrophoresis in space could also yield immense benefits to agriculture and help alleviate recurring meat and protein shortages. This could be done by processing the sperm of livestock so as to control the sex of their offsprings. Two kinds of chromosomes have been identified and it is known that they are responsible for sex differentiation. We can't isolate large quantities of them in pure form on earth, but space processing may enable us to do so, and thus increase the benefits of sex specification to artificial insemination. Thus we could increase the number of females or milk or brood stock, and the number of males for greater meat poundage, in whatever proportion we chose. The market benefit is almost impossible to estimate, but one authority has said that economies of 422 million dollars a year would accrue to the farm animal industry alone.

Third is an item called "DC rectification and regulation crystals," having an annual value of at least $100 million a year. The technology involved in this item has been demonstrated on Skylab and clearly holds the potential for saving huge quantities of energy. According to Mr. Keller, here is what is involved, and I quote:

Public utilities people have known for a long time that direct current distribution systems have significantly less loss. Also, the growing concern over environment has led to intensive study of DC systems which would use underground cabling to conserve open space and improve the use of valuable right-of-way land.

These DC systems have tested out well in prototype form, but one critical component need has been identified—the large crystals that are used to rectify and regulate the current. The requirement is for crystals up to six to twelve inches in diameter, but gravitational effects in ground-

based crystal processing limit the available crystal size to two to four inches.

We believe crystals of the required size can be grown in the gravity-free environment of space, where they will form homogeneously and with almost perfect internal symmetry. A Federal Power Commission engineer's estimate of 350 new generating plants over the next 20 years raises the possibility of 100 million dollars a year in demand for such crystals. The additional benefits to power producers and consumers would be considerable even if DC distribution were used for only part of the contemplated systems.

Mr. President, I believe the Keller testimony shows that the space shuttle can be justified through commercial processing alone. And, as we move closer to the 1980's, I believe that even greater commercial applications will come to light. When you add the benefits of commercial processing to the host of other space shuttle missions, there can be little doubt that the Nation will reap huge benefits.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been a full quarter-century since the Genocide Convention was first submitted by President Truman to this body for ratification. Despite three favorable reports from the Committee on Foreign Relations, the Senate has yet to act on this humanitarian treaty. This year the treaty did reach the floor but a filibuster blocked a vote on the treaty's merits.

As the section of individual rights and responsibilities of the American Bar Association put it, there is a temptation of critics to say that the Convention is "fighting the last year." After all, it was a product of the world's revulsion at the atrocities of World War II. But the Convention deals with an issue that remains current.

The report of the individual rights section of the ABA puts it best:

Ratifications and accessions keep coming in all the time—Nepal was the latest in January of 1969. America's friends ask, 'Where are you?'; America's foes say, 'You see what we mean. . . .'

More important, more tragic, is the fact that threats and acts of genocide are in no sense remote. In Africa, in the Middle East, Southeast Asia, in the Mediterranean, and the Caribbean, it is clear that ethnic hatreds, war with hunger and depredation as weapons, brain-washing and torture are not of the past. If the excesses of World War II have not quite been repeated, the Genocide Convention may have had a part to play. No one can say that the concerns of that treaty are not the concerns of today and tomorrow.

It may well be that the Genocide Convention has already been violated, even by those who have joined it. Magna Carta was violated many times in English history; the American Bill of Rights was violated many times—indeed continues to be violated all too often. So are the Fourteenth Amendment and the Fifteenth Amendment. But none could gainsay their importance, and their overall effectiveness.

It is too early to tell whether the Genocide Convention will take its place alongside Magna Carta and the Bill of Rights. It is too late to pretend it does not matter.

Mr. President, there can be no more eloquent plea for Senate action on the Genocide Convention. I urge my colleagues to heed this call.

THE NEED FOR THE CREATION OF A JOINT COMMITTEE ON ENERGY

Mr. ROTH. Mr. President, the senior Senator from Minnesota (Mr. HUMPHREY) and I introduced legislation to create a Joint Committee on Energy to provide a focal point for energy policy within the Congress. The absence of a Government policy on energy in spite of the crisis, hardship, and confusion brought on by the scarcity of oil, and the frenzied efforts of Congress to cope with the resultant problems attests to the urgency of this legislation.

The removal of the oil embargo has given us the opportunity to pause in our efforts to cope with problems of immediacy—keeping people warm, sustaining industrial production and jobs, satisfying agricultural needs, and providing for transportation of goods and people. This pause must become a time of constructive change and not an excuse to relax our efforts to find solutions to our energy problems. To do so would be stupid and shortsighted. The embargo is altogether too tenuous, for the destructive forces of the embargo cannon held by the Organization of Petroleum Exporting Countries could be unleashed at any time. Even with the embargo lifted, we must still manage the impact of the $15 billion which the high prices of Arab oil is expected to exact from the purchasing power of the American consumer.

The only real answer to the threats posed by the oil producing nations and the shortage of energy resources within this country is through a comprehensive workable national energy policy. It is all too obvious that this policy will not evolve from the fragmented, disconnected, helter-skelter approach to energy legislation in which we are engulfed. However, I am confident that the Joint Committee on Energy, proposed by Senator HUMPHREY and me, would be of great assistance to Congress in asserting positive rather than fragmented leadership in energy matters.

The Congress has the opportunity and obligation to put aside its self-interests and personal ambitions and resist the political pressures which have prevented the passage of any legislation that would increase the supply of oil and energy. Members of Congress, the public and the press have deplored the lack of leadership by Congress in putting forth an effective program for meeting the energy needs of our Nation. We must take a look at all aspects of the problem rather than the piecemeal approach which has so often brought out the same witnesses saying the same things before the same people cloaked with different committee identifications.

Congress needs and should have the capability that would be provided by Senate Joint Resolution 200. With the professional advice and information available from a joint committee, the committees of Congress having legislative jurisdiction over energy matters could more effectively exercise the leadership and direction necessary for the development and implementation of a coherent Government energy policy. It is my hope that this policy will encompass the following kinds of things:

A major research and development program that will make this Nation self-sufficient in the early 1980's. It should include specific schedules and goals for the use and development of all potential sources of energy.

A large range plan for addressing the energy policy issues that may evolve over the next 10 to 20 years.

A program that will promote competition and tax reform.

Allocation and standby rationing programs for use in meeting future emergencies. We must have programs that will insure fairness and an opportunity for individuals or groups who believe they have been treated unfairly to be heard.

A concept that encourages participation by this country with other nations in seeking solutions to the energy problems plaguing the world community. While this concept should emphasize cooperation and mutual assistance, it should put other nations on notice that we will not be coerced by foreign embargoes or other forms of oil blackmail.

Adoption of a conservation program that will cut energy consumption to the degree that has been accomplished previously only in time of war. Conservation should be accepted as a duty, not an option, by the American people, and it will be if Congress provides a program that merits their confidence and sacrifices.

The time is ripe for the Congress to create a Joint Committee on Energy to provide the legislative committees and the individual members with sound advice on the varied and complex facets of a responsible national energy policy. With such a policy, we can progress toward self-sufficiency and toward a healthy, expanding economy, with jobs for a growing population. Senate Joint Resolution 200 merits the studied consideration of all Members of this great body.

USDA REPORT CONFIRMS RURAL TRANSPORTATION CRISIS

Mr. HUMPHREY. Mr. President, the U.S. Department of Agriculture has recently completed an interim report on "Transportation in Rural America." This study, and a more comprehensive report to be submitted to Congress this fall, was undertaken as a result of Senate passage of an amendment which I offered in the summer of 1973 to the Agriculture, Environmental, and Consumer Protection Appropriations Act for 1974.

While the final report will provide more detailed analysis, the interim report makes some important observations.

Most importantly, the report concludes that—

There appears to be an immediate need for reexamination of the transportation situation in rural America." The present great concern over the problem of moving people and goods from place to place in rural America suggests that "stresses may have reached the crisis stage."

It is about time that the administration and the Congress recognized that rural America faces a transportation crisis. I have been warning USDA, the Department of Transportation, and the ICC, for the past several years, that neglect of our rural transportation system will cost all Americans dearly. The conclusions of this study clearly call for specific policy and program proposals by the administration to deal with this problem.

The USDA study clearly supports my contention that the rural transportation crisis in 1973 was real. By midwinter 1973, "reported grain car shortages exceeded 27,000 cars per day, compared to 500 cars per day a year earlier." While somewhat lessened, "this situation has continued into early 1974." In an agricultural sector that relies primarily on rail for shipping grain, such shortages are intolerable. Yet, virtually nothing has been done by any of the responsible Federal agencies to significantly reduce these critical shortages. And, Mr. President, 20 million additional acres of field crops will have to be moved during the 1974–75 crop year.

The report also shows that the price impact of the breakdown in rural transportation was immediate—

In early 1973—the price spread between inland production areas and ports increased from a normal 25 cents per bushel to an average 70 cents per bushel for soybeans.

The price spread for other grains was also well above historic levels. And the impact on international shipping was also severe. The USDA study shows shipping prices virtually exploded:

Average charter rates per ton for grain under foreign flag from Gulf ports to Antwerp-Rotterdam-Amsterdam destination increased from an average of $3.26 in 1972 to $13.13 in 1973. Rates climbed even more between other origins and destinations.

Another important finding of the report relates to the serious problem of rail line abandonments. This problem has been a serious deterrent to progress in rural areas of the country for years.

However, rail line abandonments have reached unprecedented levels during the last 2 years and, as I pointed out during debate on my amendment calling for a 2-year moratorium on abandonments, which passed the Senate this winter, unless a reasonable transportation system for rural America is designed and supported we may be faced with the greatest "Immovable Feast" in the history of man. Prices in our cities may soar and some people overseas may starve, while America's farmers produce a bumper crop that rots on the ground because it cannot be moved to market.

The study notes that—

Abandonment proposals have been submitted at an increasing rate in recent years. . . . The 266 applications filed in 1973 involved more than 4,400 miles, a record mileage for any year since ICC assumed responsibility for abandonment proceedings. Also there were more than twice as many applications in 1973 as in any year during the 1960's, except 1969. Mileage in 1973 was nearly double that for every year of the 1960's.

Very significantly, the study notes that—

During 1960 through 1973, 97 percent of the ICC decisions made on applications authorized abandonments.

One reason for the ICC's lopsided batting average is hinted at by USDA in discussing a study of specific abandonment cases. The authors of this study reported that—

None of the cases that were reviewed considered aggregate impacts of abandonments on communities, but effects on railroads were always considered.

Mr. President, this policy of only looking at one side of the ledger must be ended. In many cases, the loss of rail service has meant that a rural community withers away. The social and economic loss to these communities is severe and should be calculated along with the costs of continued service to the railroad. As logical and reasonable as this procedure would be, it has, incredibly, not been followed.

The USDA Interim Report makes another very important observation, one that I have made many times in the past in offering legislation to save rural rail lines. The authors state that—

Upcoming decisions such as those which will soon be made for the Northeast rail system are in a sense irreversible. If we cast our lot with rail abandonments (as the Administration apparently has) a reemergence of need for rail services in those areas could not be easily met.

In an age of growing concern for our environment, of revolutionary changes in fuel prices, and of mounting interest in achieving a more balanced distribution of our Nation's population, the administration's policy of mass rail abandonments must be halted and its implications reassessed. USDA is certainly correct in pointing out the irreversible nature of rail abandonments, the policy of this administration. During a time of such great change in the economic basis of transportation economics; namely, fuel prices, it is highly inappropriate to pursue any irreversible policy. The unknowns are simply too great to take these kinds of decisions today.

Mr. President, there are a number of additional important facts and observations regarding rural transportation problems brought to light by this preliminary report that warrant the careful scrutiny of all those in the Congress, the administration, and the public concerned with rural development in our Nation.

I ask unanimous consent that this important interim report on "Transportation in Rural America" be printed in the RECORD. USDA's Economic Research Service is to be complimented for a job well begun, I am awaiting their final report with great interest. The members of the Senate and House Appropriations Committees are to be applauded for their support of this important study.

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

[From the Economic Research Services, U.S. Department of Agriculture]

TRANSPORTATION IN RURAL AMERICA

(An interim report)

This report is a preliminary response to a request by the United States Senate and the House of Representatives. In H.R. 8619, the Agriculture, Environmental and Consumer Protection Appropriations Act of 1974, the U.S. Department of Agriculture was directed "to analyze existing data relative to the current crisis in rural transportation and provide the House and the Senate with a summary of the information."

The report is based on data from numerous sources, earlier studies, and comments by persons familiar with the problems considered. A more complete report on the continuing study will be developed by the fall of 1974. It has already become clear that many of the problems require more intensive research. Also, a more comprehensive situation and outlook program on supply, demand and prices in agricultural transportation is needed. Several areas deserving special study are identified.

SUMMARY

Shippers of agricultural products have been concerned because of shortages of railcars, trucks, and barges when grain elevators were full and livestock and perishable commodities were ready for shipment to markets. Since late 1972, shippers have been frustrated because of worsening problems in transporting grain and soybeans for export. Also, fertilizer and other inputs have been delayed in reaching rural areas.

Railroads carrying grains and soybeans to Gulf ports, through which two-thirds of such exports flow, responded to increased demand but were still not able to meet shipper needs. Because of Mississippi River flooding during 1973, barge movements did not match those of 1972. Thus, barges played relatively little role in moving the increase in grain exports. Trucks and barges were scarce and rates rose sharply.

Although foreign commitments were met, moving the greater exports worked hardships on some shippers, particularly those with limited storage capacity on light density rail lines. Some grain elevators reported financial hardship because they were forced to hold larger than normal stocks at record grain prices and high interest rates. Financial penalties resulting from the inability to meet grain sales contracts added to problems.

Railroads are the mainstay of our grain transportation system, but several railroads are in bankruptcy and the industry return on investment has been around 3-percent. Shippers complain of deteriorating service, rising rates and railcar shortages. Rail reorganization analyses for the Midwest-Northeast region identify 25 percent of rail line in the region as potentially excess.

The perennial railcar shortage might be eased by better utilization of equipment. However, a pricing system that allocates freight cars to the most urgent demands may be needed to avoid shortages during peak periods.

Linehaul railroad mileage has been declining and abandonment proposals are being submitted at an increasing rate. Nevertheless, in aggregate, rural areas have probably not been severely affected to date. Whether future abandonments will limit capacity of the railroads to adequately serve agriculture is not yet clear.

U.S. studies, mainly for corn-soybean areas suggest that some reduction in rail lines would probably reduce costs of grain handling and transportation. Somewhat similar studies in Canadian wheat areas also suggest that reduced mileage would decrease costs. Questions remain, however, on how local areas and individual farmers would fare.

Some rural people are concerned that rural roads cannot carry the heavier traffic that might result from rail abandonment—especially in major grain areas. The few available statistics suggest that rural roads have been somewhat improved in recent years, but their present adequacy is unknown.

Perishables and livestock now move mainly by truck. Recent heavy demand increased prices and made truck services hard to obtain, partly because some trucks shifted to moving grain. Also, smaller numbers of refrigerated rail cars meant that trucks were required to carry an even larger share of the perishables. The energy crisis, by increasing fuel prices and slowing speeds, adversely affected trucking relatively more than other modes.

Although limited by waterways and seasonality, barges are major carriers of bulk commodities and fertilizers. Available evidence suggests that dry cargo barge capacity has generally increased and barges gained a larger share of the total bulk freight market in the past decade. As in the case of exempt trucks, exempt barge rates provide a system of rationing barge services that is linked to supply and demand. Laws further easing barge regulation were recently enacted.

Transportation affects industrial location and rural development. The relative importance of transportation varies by industry but how transportation interacts with other factors is yet to be measured.

Among suggestions for further research included in the report is the development of economic models capable of continuing analysis of long-run demands for and supply of transportation services in rural areas. We also need to keep current on how shifts in demand for transportation in the general economy may affect agriculture. Other major areas needing special study are the effects of rail abandonment, improved railcar pricing mechanisms, the adequacy of rural roads, and the relationship of transportation to rural development.

INTRODUCTION

Moving goods from place to place in rural America has always been a problem. Yet, to say that there have always been problems is not enough. The present great concern suggests that stresses may have reached the crisis stage. Either the problems have become worse or the public has become less tolerant of the system's shortcomings: In either case, there appears to be an immediate need for reexamination of the transportation situation in rural America. What follows can be viewed as a beginning in that reexamination.

Forces causing concern

Major shifts in world markets have greatly increased demand for agricultural products, especially for grain and soybeans. The U.S. has moved from the restrictive production policies of the preceding four decades to policies encouraging full utilization of agricultural resources. At the same time, large quantities of stored commodities have moved into market channels to meet growing demands.

The dollar value of our agricultural exports has been rising over several years and was up almost 88 percent in 1973 compared with a year earlier. The volume of agricultural exports gained by 30 percent in 1973, accounting for about two-fifths of the value increase. A reduction in world cereal and protein feed production in 1972, a decision by the USSR to maintain livestock production, rising world incomes, and the devaluation of the dollar added to the foreign demand for U.S. products.

If demand for U.S. agricultural commodities were largely based on internal requirements, as has occurred in some years, demand for transportation services would fluctuate relatively little. However, surges in exports will probably mean that our transportation system will continue to be subject to year to year fluctuation in demand from agriculture. Without adequate planning, a transportation system geared for the average year can be expected to produce crises in future years when export demand is strongest. But, carrying excess capacity to meet surges in demand imposes costs in years of lower demand. Thus, there is an ongoing need to keep abreast of the transportation supply and demand situation for agriculture.

While much of the transportation crisis has been viewed as a problem of moving agricultural products to markets, there have also been serious problems in shipping fertilizer and other inputs into rural communities. Because the same transportation system serves both types of movements, the problems are clearly interrelated.

Our approach

This report considers the roles and performance of the transportation system in serving agriculture and rural areas. However, because much of the transportation system is regulated, the findings also reflect on the effectiveness of regulation and on the provisions of highways and other transportation facilities by local, State and Federal Governments.

We will briefly summarize present knowledge and define areas for further research. However, the report is not comprehensive. Additional areas of concern will be treated in the final report. The discussion will draw on existing data, on studies of various aspects of transportation problems, and on comments by concerned rural spokesmen. The final report will include a list of references.

The beginning section of this report reviews recent experiences in meeting the surge in demand on the transportation and distribution system resulting from sharp increases in exports that began late in 1972. A second major topic considered is transportation system capacity. Discussion centers on the ability of the several modes to move agricultural commodities from a fully employed agriculture. Longer term structural problems are also identified. The final section deals with the relationship between transportation and rural development.

REVIEW OF RECENT EXPERIENCE

Beginning in late 1972 and continuing into 1974, there have been frequent complaints by farmers, elevator operators and others concerning the inability of the grain marketing and transportation system to meet demands placed on it by rural users. Frustration because of the inability of affected individuals and businesses to find immediate solutions added to stresses. Substantial increases in agricultural commodity exports were associated with full elevators, grain on the ground, and shortages of railcars, trucks, and barges for moving grain.

Complications which arose from the inability to meet the demand were evidenced by abnormal routing in transporting commodities, use of equipment and facilities for moving grains that had rarely or never been used for grains, shifts to higher cost modes of transport, and bidding up of truck and barge rates. Stopgap efforts by shippers, carriers, and the Interstate Commerce Commission (ICC) were apparently inadequate. The transportation system is said to have had especially serious problems in moving commodities in outlying areas.

Effects of increased exports

In the fourth quarter of calendar 1972, the impact of wheat, feed grain and soybean sales to the Soviet Union and record sales of feed grains and soybeans to buyers elsewhere in the world began to strain the U.S. transportation system. A late start in beginning the shipments to the USSR aggravated the situation. During the fall of 1972, rates on exempt barges down the Mississippi River to the Gulf began to increase, approaching or exceeding rail rates in some cases. With barge capacity limited, grain shippers turned to railroads for transportation to Gulf ports, through which two-thirds of our wheat, feed grain, and soybean exports flow. Barge shipments peaked in late November and then tapered off in anticipation of winter conditions. Reports of railcar shortages rose rapidly as barge loadings declined and trucking of grain to nearby Lake ports was reduced.

The transportation and distribution system bottlenecks which began in late 1972 worsened in early 1973. By midwinter, reported grain car shortages exceeded 27,000 cars per day compared to 500 cars per day a year earlier. Many Gulf port elevators became jammed with grain, causing cars to wait for unloading. Problems were most significant at West Gulf ports where most of the hard red winter wheat destined for the Soviet Union was handled. Most of this wheat moved between late December 1972 and late May 1973. Because the railroads could deliver cars to individual port elevators faster than the elevators were unloading them, the Association of American Railroads began to "embargo" ports where backups occurred or were expected. Such embargoes, forbidding the billing of cars by railroads to port elevators with abnormally large numbers of cars waiting to be unloaded, were common during 1973. These tieups reflected back to country elevators as "railcar shortages." That is, individual country elevators were unable to obtain railcars as needed to ship grain.

In addition to higher barge and truck rates, increased transportation demands caused abnormally large grain price differentials between country points and export delivery points. These differences were especially large in early 1973 when the price spread between inland production areas and ports increased from a normal 25 cents per bushel to an average of 70 cents per bushel for soybeans. The differential rose to 50 cents per bushel for corn and 40 cents for hard winter wheat.

Reopening of the Lake ports in early April helped ease the crisis but reported railcar shortages remained high throughout the year. Though somewhat lessened, the car shortage situation has continued into early 1974.

What caused shipment problems to become serious in 1972–73? Clearly, much of the problem was related to the sharp increase in exports, especially wheat and corn. Together, these two commodities accounted for an increase in exports of more than one billion bushels between 1972 and 1973. That increase followed a more than half billion bushel increase in corn and wheat exports the preceding year. The volume of exports of the two commodities was more than 2.4 times as large in 1973 as in 1971. To meet the challenge, the transportation system would have needed much excess capacity before the increase in demand or the ability to expand capacity sharply as demand surged.

Increases in exports in 1972 and 1973 show that the transportation and distribution system did respond to the greater demand. Railroads handled much of the increase. In fact, rail grain and soybean movements were up nearly one-fourth in 1973, while U.S. grain production increased less than one-tenth. Excess capacity reflected in idle cars in the first half of 1972 evaporated into car shortages later in the year. Further increases in car loadings were then more difficult to obtain.

Barges are also important movers of grain and soybeans. Interior river movements accounted for somewhat more than a billion bushels in 1972. However, barge shipments which occur mainly during the April-December period were smaller in 1973 than in 1972. A major reason for the decline was heavy spring flooding on the Mississippi in 1973. Timing of barge and ship arrivals in ports also caused problems as barges often waited for ships to unload. Because they were unable to increase movements, barges played a relatively limited role in moving the increases in grain exports.

Had all gone well on internal grain move-

ments, there might still have been problems in export shipments. Increased worldwide demand for shipping and a tight ship supply, aggravated by the fuel shortage, resulted in sharply higher ocean freight rates in 1973. For example, average charter rates per ton for grain under foreign flag from Gulf ports to Antwerp-Rotterdam-Amsterdam destinations increased from an average of $3.26 in 1972 to $13.13 in 1973. Rates climbed even more between other origins and destinations.

Effects on shippers

Despite the grain transportation problems, one fact stands out—the extremely large foreign commitments of 1973, as well as our domestic needs, were met. Nevertheless, the success may have been achieved at substantial cost. Because the burden of these costs was uneven, some shippers seem to have suffered unduly while others were less affected. The stress on getting grain to ports in a brief period probably caused some smaller country grain elevators to be bypassed. Larger, easily accessible elevators with high throughput capability apparently had fewer problems.

Shippers with the most serious transportation problems were generally at more distant locations and often were served by low-density branch lines. For example, based on an Agricultural Marketing Service, U.S. Department of Agriculture management survey of elevators, problems were especially severe in northern and western grain producing areas of the Plains in November 1973. Difficult situations were increasingly reported in Southern Minnesota, Eastern Iowa, Illinois, Indiana and Ohio as the 1973 corn crop was marketed and transportation problems grew because lake shipments and river barge movements were curtailed during the winter months. Problems remained through February 1974, but fewer areas were reporting them.

Some shippers experienced problems before the seriousness of the situation was widely recognized and they expected to continue having problems. For example, a representative of an Iowa cooperative indicated that "For the past five years our cooperative has suffered because of a transportation crisis. . . . In the past four weeks we have moved by rail 32 cars, one-half being open-top coal cars. At this rate it will take two years to move our inventory, not taking into consideration the grain inventory that is still on the farm."

Country elevators often had contracts to sell their grain with payment on delivery to buyers but were unable to meet sales commitments. In addition, high prices and high interest rates on unmoved inventory increased capital requirements and restricted cash flows to farmers as well as elevators. Elevator managers were sometimes forced to refuse business at a time of record grain prices. Together these factors caused financial problems for some elevators. They also forced farmers to seek new markets and pay more to transport their grain to more distant points.

Elevators with limited grain loading facilities and minimum car holding capacity were often situated on lines that could not support jumbo hopper cars. As we will discuss later, the number of general purpose boxcars has declined rapidly and those remaining were unable to meet needs of country elevators on lines with load restrictions. Further, small shippers located on branch lines generally could not take advantage of lower rates associated with unit trains and larger hopper cars.

Small shippers were the ones most in need of alternatives to rail shipment. But this alternative was not always available. Truck numbers were often not sufficient and costs were above regulated rail rates. Shippers using trucks also faced another problem during spring months. Weight limits on state and county roads seriously limited loads that trucks could carry. To the extent that small shippers were more often forced to seek alternatives to rail transport, this was a problem for small shippers.

The question of equity between large and small shippers requires a great deal more study. Additional evidence on the question needs to be gathered before a firm conclusion is drawn. We believe there is need for a study of the trade-offs between gains in efficiency in grain handling and transportation through larger scale and possible problems associated with lessening of competition and increasing concentration.

We also need to improve forecasting of both the demand for transportation services and the availability of services in rural areas if we are to avoid adverse effects of transportation inadequacies in the future.

THE QUESTION OF TRANSPORTATION CAPACITY

Agricultural producers and rural industries question whether they will receive adequate and reasonably priced transportation services during coming years. They see inadequate transportation as a possible continuing constraint on production and marketing. Freight transportation equipment is largely general purpose in character; agriculturally related traffic accounts for less than one-fifth of the total. The overshadowing role of nonagricultural traffic means that unique requirements of agriculture may receive less than adequate attention.

The increases in agricultural exports have made us more aware of problems that can arise when demand exceeds transportation system capacity. However, these are not the only problems causing concern about the transportation system.

Railroading: A troubled industry

Railroads are the mainstay of our grain transportation system. But many railroads are in trouble, as evidenced by several bankruptcies in the Midwest-Northeast Region and an industry return on investment around 3-percent. Railroad problems are also implied by complaints of shippers concerning deteriorating service, rising rates, and a shortage of railcars.

Reorganization appears to be the practical solution for railroads that have fallen into serious physical disrepair and financial insolvency. Even so, there is apprehension on how the reorganization of the Midwest and Northeast railroads and other pending legislation might affect rail service for rural areas. Because about 25 percent, or 15,575 miles, of the Midwest and Northeast railroad mileage has been identified as potentially excess, many communities are concerned. That 96 percent of traffic could still be served by rails, according to analyses by the U.S. Department of Transportation, is reassuring. Yet, not all communities will be as fortunate, and those that are most likely to lose are seeking answers. Very few studies on the costs and benefits of rail reorganizations and restructuring are available. Thus, it is difficult to draw conclusions on the efficiency and equity of proposals that are offered.

Rail Mileage and Abandonment

Linehaul railroad mileage, which is related to the ability of railroads to serve all areas of the Nation, reached its peak of 254,000 miles in 1916. Although construction often preceded demand for rail service, farms as well as industries, businesses, and communities that grew near the railroads soon depended on them as the main mode of transportation. Since 1916, mileage has continually decreased and is still declining. U.S. linehaul railroads declined from about 217,000 miles in 1960 to an estimated 204,000 miles in 1972—an average yearly decrease of about 1,000 miles.

Abandonment proposals have been submitted at an increasing rate in recent years. As of 1973, the ICC had permitted abandonment of nearly 66,000 miles of railroad track since the Transportation Act of 1920. Abandonment applications filed with ICC for 1971 through 1973 involved more than 11,000 miles of rail line. The 266 applications filed in 1973 involved more than 4,400 miles, a record mileage for any year since ICC assumed responsibility for abandonment proceedings. Also, there were more than twice as many applications in 1973 as in any year during the 1960's, except 1969. Mileage involved in 1973 was nearly double that for every year of the 1960's.

Most ICC actions on applications to abandon result in approval. During 1960 through 1973, 97 percent of the ICC decisions made on applications authorized abandonment; 3 percent were denied.

Rail abandonment creates conflicting interests with railroads on one side and shippers and communities on the other. From the railroads' viewpoint, abandonment of excess track is necessary because of the financial drain from operation of unprofitable lines. It is contended that many rail lines do not carry enough goods to pay their way. Thus, unless they are abandoned, such lines operate at the expense of the total rail system. On the other hand, shippers and communities depending on railroads incur losses when abandonment occurs. Relocation of some facilities may be possible, but where there is substantial investment in fixed plant, managers generally prefer to resort to alternative modes of transportation.

Although there has been considerable abandonment and total rail mileage is down, evidence of large scale loss of important rail segments serving agriculture is lacking. Thus far, abandonment itself does not appear to have greatly affected the capacity of railroads to serve agriculture in aggregate. There may have been local instances where abandonment has seriously affected rural communities, but there are also many more cases where businesses have turned to other modes while railroads were still in operation. Uncertainty about future abandonments may be of more concern than those of the past.

To learn more about how rural areas would be affected, we reviewed a number of U.S. and Canadian studies.

U.S. rail abandonment studies.—A contractor for the U.S. Department of Transportation examined differences between anticipated and actual effects of abandonments. ICC hearing records for ten cases involving substantial shipper and community opposition were analyzed. Major findings were:

Protestants have, in general, accurately predicted financial effects of abandonment in terms of increased shipping costs and continued viability of operations without rail service.

Larger organizations were better able to adjust and absorb increased shipping costs due to abandonment.

Many marginal operations have been forced out of business due to abandonment, and some organizations have experienced lower profit margins. Most firms, however, have survived, adjusted and prospered.

According to the authors, none of the cases that were reviewed considered aggregate impacts of abandonment on communities, but effects on railroads were always considered. Because the burden of proof that abandonment would be desirable has been on the railroads in the past, this finding is not unexpected. The impact of shifting from rails to highways was generally not assessed.

Another study, prepared by Iowa State University for the U.S. Department of Transportation, deals with a corn-soybean production area. The study considered a number of rail line options, varying numbers of subterminals, and several transportation alternatives. Results showed the highest net revenue to the farmers and shippers in the several county study area would occur by using 115-car trains operating continuously between Gulf ports and six subterminals in the

counties. Only 27 percent of 1971 rail lines would be maintained and the system would yield 8.7 cents more per bushel to the study area than the traditional single-car system. Only 32 percent as many covered hopper cars as under the traditional system would have been required.

The Iowa State government examined abandonment in another type of study in the same general area. Based on the ICC "34-car rule," which would shift the burden of proof in abandonment cases from the railroads for track producing less than 34 carloads annually, Iowa could lose around 19 percent of the State's nearly 7,500 miles of rail line through abandonment. Because branch lines in Iowa accommodate the needs of agriculture and branch lines are generally abandoned first, abandonment could severely affect agriculture in the State.

The analysis considered two branch lines qualifying for abandonment under the ICC's "34-car rule." Benefits and costs were estimated under: (1) Tax forgiveness; (2) direct payments; (3) State ownership; and (4) non-intervention responses to abandonment. Direct subsidies were found to maximize benefits over costs while maintaining rail service.

An unpublished U.S. Department of Agriculture memorandum reported on a preliminary analysis of ICC dockets associated with 29 proposed and authorized abandonments involving 635 miles of track in agricultural areas. About one-third of the 114 grain elevators located on abandoned lines would be completely cut off from rail service. The remaining two-thirds were either serviced by other railroads or were at branch line terminal points. Local opposition to abandonment was found to be light and groups representing farmers were scarce. Letters from several elevator operators showed no objection to abandonment if motor-rail services were substituted at previous all-rail rates. Some elevator operators favored trucks because they provide better service.

Canadian abandonment studies.—Rail abandonment studies have not been identified for major wheat areas of the U.S. However, because we thought results from Canadian studies might be applicable, several were reviewed. Account should be taken of differing U.S. conditions.

The Canadian economy is highly dependent on grain exports. Any reduction in costs could directly benefit producers or slow upward cost trends. Grains from prairie provinces move by rail, under "Crow's Nest Pass" rates estimated to be less than 50 percent of total costs. Wheat is marketed through the Canadian Wheat Board.

Thirteen government-sponsored studies of grain handling and transportation examined: (1) The ability of the system to satisfactorily handle large volumes of grain; (2) the system's effectiveness in moving desired types, grades and quantities of grains to ports quickly; and (3) costs of handling and transportation.

Abandonment of light traffic rail lines and their small scale grain handling facilities was seen as "imperative if producer costs are not to rise significantly." Rationalization could reduce handling costs by 2.3 cents per bushel while increasing trucking cost by about 0.7 cents per bushel. Railroads estimated cost savings at 5.7 cents per bushel. The resulting system initially would retain about 3,600 of the existing 5,000 country elevators. The rail system would be reduced by slightly more than 5,500 miles to about 13,800 miles. Further reductions in elevators to about 2,300 by 1980 and slightly more than 500 by 1990 were envisioned.

In another approach to rationalization, using costs developed in earlier studies and unit train rates, the most economical grain handling and transportation system for the Prairies was found to be 80 inland terminals rather than the 5,000 country elevators now existing. High investment costs were expected to be offset by savings in handling and transportation. Present facilities would be replaced gradually.

Another Canadian study dealt with grain handling and transportation in a smaller area of the Prairies where both elevator and railway companies now use cross-subsidization within their operations to maintain services to grain farmers in the study area. By simulating abandonment, tests were made for alternative systems. Rationalization under the minimum cost assumption would reduce total per bushel costs for collection, handling and distribution from 33.73 to 29.55 cents per bushel. However, a rationalized system would need to find ways to reduce charges to farmers. Farmers would have no incentive under current pricing arrangements to agree to rationalization unless truck services were provided. The author cautioned that broad regional studies may fail to show problems that would occur for small areas or individual farmers as a result of rationalization. Conversely, small area rationalization studies may not be representative of larger regions.

The general question of abandonment.—Our nation and its rural areas are faced with important decisions. What happens in the next few years will help set the stage for coming decades and generations. Upcoming decisions such as those which will soon be made for the Northeast rail system are in a sense irreversible. If we cast our lot with rail abandonments, a reemergence of need for rail services in those areas would not be easily met.

On the other hand, a decision for retention of the present system in its entirety appears to mean either deteriorating services for many areas or long term capital investments that would, in some cases, be difficult to justify. There is need to analyze inadequacies and problems throughout the transportation system and work toward a transportation network that matches projected needs and involves all modes. Toward this end, immediate effort and increased resources are required to improve long-run projections of demand for transportation services in rural areas. Added resources are also needed to keep current on the supply of transportation services to agriculture and rural areas, and on how such services may be affected by shifts in demand for transportation in the general economy. Economic models need to be developed that are capable of continuing analysis of these problems. The models would incorporate information on factors affecting demand for the different modes of transportation by agriculture and rural areas as well as other sectors of the economy, alternative shipping patterns, response capabilities of trucks, railroads, and barges, and costs of alternative modes. The models could also aid in evaluating needed control mechanisms and in forecasting long-term demands to aid in investment and regulatory decisions of local, State and Federal governments and the transportation industry.

Freight Car Problem—Number, Capacity, Utilization or Allocation?

The "freight car shortage" is a perennial problem for agriculture and it intensified during the recent period of increased foreign shipments. The problem is usually stated to be an inadequate fleet. However, there are indications that the problem for the grains may be as readily solved by improving car utilization as by increasing car numbers. There are as yet unanswered questions regarding equipment supply for the perishables.

There were 1.7 million freight cars of all types in December 1972, about 13 percent fewer than in 1960. Some 83 percent of these cars were owned by railroads; the remaining 17 percent by car companies and shippers. The "common boxcar," a type once used in most grain shipments, declined by nearly half or about 309,000 cars between 1960 and 1972—by far the greatest decline for any type of car. During the same period, the number of special, equipped boxcars increased from about 55,000 to 181,000.

Large covered hopper cars, capable of carrying up to 100 tons of grain, have contributed to an increase in average railcar capacity and to the railroads' ability to move grain. Covered hopper car numbers have nearly tripled since 1960 and increased more than 10 percent during 1973. About 142,000 were owned by railroads and 44,000 by shippers at the beginning of 1973. Covered hopper cars now account for two-thirds of the capacity of all cars normally considered usable in hauling grain.

While the number of freight cars declined in recent years, the average car size increased from about 55 tons in 1960 to nearly 70 tons by 1972. Cars installed in 1972 averaged 86 tons, compared with 59 tons for cars retired during the year. The increase in average car capacity offset the declining number of cars and total freight car capacity increased—especially toward the end of the last decade. Capacity of class I railroads was more than 96 million tons in 1971, up about 5 percent since 1960. There was also a trend toward heavier loading as capacity increased. The average carload increased from about 44 tons in 1960 to 56 tons in 1972.

Standard measures of utilization must be used cautiously. For example, some of the average daily car mileage increases, from about 46 miles in 1960 to 56 miles in 1972, may have occurred because trucks have taken shorter haul freight traffic, including some agricultural commodities, from railroads. Also, competition with motor freight which left railroads with longer hauls, may partly explain the tendency for freight car turnaround time to increase in recent years.

In any case, there may be considerable potential for increasing efficiency in equipment use. A recent study suggests that freight cars spend only 12 percent of their time in line-haul movement. Some 40 percent is spent loading and unloading and nearly half either awaiting movement or sitting idle.

Several innovations initiated in the rail industry have improved or have potential for improving utilization and operating efficiency of the system. For example, use of heat sensing devices, roller bearings and better lubricants, have reduced the hotbox or overheated journal bearing setout rate from 4.43 per million car miles in 1960 to an estimated 0.46 in 1972.

In addition, the railroads have shown increases in "piggy-backing" from 550,000 in 1960 to over 1.3 million in 1973. This indicates that intermodal coordination in the container field is possible. However, containerization has not grown rapidly in agricultural transportation. The feasibility of containers for such transportation has been demonstrated for products such as lettuce, tomatoes, radishes, oranges, grapefruit, peaches, and for animal products such as hanging beef and frozen poultry. Only small amounts of bulk agricultural products have moved in containers. Soybeans for human consumption are being shipped to Japan and test shipments of dry edible beans have been made to Europe.

Unit trains and rent-a-trains of 65 or more cars operated as a unit have reduced switching and improved efficiency in grain shipments. Computerized car location and coordination is also being used to improve car utilization.

Whether it is more economical to increase the capacity of the fleet or speed the flow of the present fleet is a matter for further research. Neither method is likely to solve the car shortage problem for agriculture and rural areas without either excess capacity or control mechanisms to force other sectors of the economy to share equipment during periods of peak rural demand. Some

research has been done, and some is now underway, on means for developing a pricing system capable of allocating freight cars to the most urgent demands. More is needed, however.

Competition to Railroads

Railroads have not been successful in keeping some types of traffic on rails. Since 1960, the volume or traffic moved by railroads has increased from 579 billion intercity ton miles to over 785 billion, but railroad traffic as a percentage of total freight traffic has declined from over 44 percent in 1960 to about 38 percent in 1972.

Truck competition for movement of both family needs and farm inputs and outputs, has stripped the railroads of highrated traffic in most rural areas. Backhauls for trucks and truck-barge movements also have taken substantial bulk traffic, such as grains, as have pipeline movements of petroleum and liquid fertilizers for farm use. Truck-barge competition has been keen in States bordering inland navigable rivers. The growth in the share of the market by other modes has been in part attributed to present regulatory practices. All rail traffic is regulated, while trucking, the major competition, is 42 percent regulated, and only a small part of water traffic is regulated.

New technology in the form of containerization and intermodalism, new innovations such as carpooling and unit trains, and increased capacity through the installation of larger cars, all appear to be potential methods for growth in rail traffic and possibilities for retaining the railroads' share of the market. In addition, the railroads have a comparative advantage in long hauls because they are more fuel efficient than trucks.

Highways and trucking—A different set of problems

Trucking and highway questions are so interrelated that they merge into a single set of problems. Because of its dependence on the road system, trends in the trucking industry reflect improvements in highways. For example, the interstate system was a major factor in the growth of long-haul trucking. Better road systems improve the competitive position of the trucking industry and may lessen freight traffic carried by other modes. However, the dependence of trucking on roads also implies that if we expect trucks to provide service where rail abandonment occurs, an adequate rural road system will be needed

A search for data shows that little is known about the adequacy of rural roads. Although some information is available on agricultural trucking, additional information is needed for thorough studies. For example, data from the Census Truck Inventory and Use Survey could be improved by increasing the size of the sample.

RURAL ROADS AND HIGHWAYS

Although most rural traffic is for other than agricultural purposes, the rural road situation has important implications for farmers and others with agricultural interests. Nevertheless, there is a surprising lack of information at the Federal level on the rural road network, too little to determine whether there are serious problems. Some individuals suggest that our farm to market road system is entirely neglected and rapidly deteriorating. While recognizing that rural roads are often inadequate, there are some indications that the rural road system has improved in recent years.

Increases in size and distance between local marketing and distributing firms have generated longer local trips. While these longer trips do not always lengthen the distance traveled on "farm-to-market" roads, they do affect local truck-size economics. They also create needs for road improvements which often have not been met.

The real question is: Do our rural roads adequately meet the current needs of farmers and other rural people? And, if the rural rail network were reduced, would rural roads carry the heavier traffic? It is from this viewpoint that we discuss the meager statistics on this aspect of the rural road situation.

An evaluation of the rural road system's ability to meet future transportation demands should consider both mileage in the road system and the condition of the roads. We know that the total rural road system in the United States in 1972 consisted of about 3.2 million miles of which 2.3 million were under local control. State controlled roads accounted for 0.7 million miles; those under Federal control, 0.2 million. Some three-fourths of rural road mileage was surfaced and one-fourth nonsurfaced in 1972. While total existing U.S. road mileage increased by 5 percent between 1962 and 1972, surfaced rural mileage increased about 9 percent and nonsurfaced rural mileage decreased by more than 19 percent.

The load-bearing ability of roads is another indicator of the road system's ability to meet heavy transport demands. Of the 2.4 million miles of surfaced rural roads in 1972, only about 0.5 million were rated as having high load-bearing capacity, but this was an increase of 30 percent from 1962. Another consideration in appraising road capacity is changes in size of loads carried. The average load on rural roads increased by more than 70 percent between 1960 and 1970, and loads of 40,000 pounds or more increased by 90 percent.

Some constraint on the capacity of the highway system may be imposed by bridges as well as by the conditions of roads. The age, type and condition of bridges can inhibit traffic, such as heavy grain trucks, on rural roads. The National Bridge Inspection currently being conducted by the States is an attempt to appraise the adequacy of bridges. The U.S. Department of Transportation has requested each State to submit data for inventoried bridges. Three-fifths of the States have submitted data but analysis has not been completed.

The question of adequacy of rural roads needs considerably more study before definite conclusions can be drawn. Unless more satisfactory data can be uncovered during coming weeks, it seems clear that a proposal for field collection of data regarding the adequacy of rural roads and bridges will be in order. Also, a study is needed of the relative economics of public ownership and improvement of rail lines to be abandoned versus necessary improvements in the road system if railroads are abandoned.

Trucking

Trucking, which now accounts for about one-fifth of the ton miles of all freight shipments, has become an increasingly important segment of the U.S. transportation industry in recent years. Total truck registrations increased from less than 13 million to nearly 20 million between 1963 and 1972 with more than three-fifths of the increase occurring after 1967. Available data suggest that total truck mileage increased by about 40 percent between 1967 and 1972—even more rapidly than truck numbers.

Agricultural trucking has also expanded significantly. Fresh fruits and vegetables from the West, Southwest and Florida; poultry and eggs from the South; livestock from every State; and meats from the feeding-slaughtering areas of the Midwest and Southwest all move by truck over the highway system. Trucks used mainly on farms for agricultural purposes increased from about 3.6 million in 1963 to 4.3 million in 1972—a gain of nearly one-fifth. For-hire trucks may also carry farm products, but are not counted as agricultural trucks. As a result of their slower rate of increase, agricultural trucks declined from 28 percent of all trucks in 1963 to less than 22 percent in 1972. Relatively greater increases in nonagricultural trucking are probably explained by more rapid growth in the general economy than in agriculture and by the effect of the interstate highway system on traffic flows.

Among factors leading to growth in trucking are greater emphasis on manufacturing of lightweight high-valued goods, better highways, higher weight limits, larger trucks, dispersion of manufacturing in urban areas, industrial development in rural communities, and timely door to door and other service possibilities. Trucks allow freedom to pick up or deliver from widely scattered points and can make several stops to complete a load or delivery. The flexibility of trucks can eliminate double handling and often provide faster service than railroads.

Altogether, agricultural trucks were estimated to have traveled more than 37 million miles in 1972, an increase of about one-third since 1967. Nearly two-fifths of such trucks were driven fewer than 5,000 miles; only 8 percent were driven 20,000 miles or more, but they accounted for over one-third of total mileage.

More than two-thirds of all agricultural trucks were classified as light trucks. Such light trucks, including pickups and panels, have limited potential for moving large quantities of bulk commodities to distant markets. Nevertheless, these vehicles accounted for nearly three-fourths of the reported truck miles.

From the Census of Agriculture we know that more than 80 percent of all farms with sales of $2,500 or more reported having at least one truck and nearly 30 percent of such farms reported two or more trucks during 1969. Also, larger farm operations were somewhat more likely to have trucks. For example, more than 95 percent of farms with sales of $100,000 or more had one or more trucks and about three-fourths had two or more.

The trucking industry is exempt from ICC regulation in movements of unmanufactured agricultural commodities in truckload lots. The agricultural exemption applies to common, contract, and private carriers who contract for agricultural shipments. Also, agricultural products are often carried with exempt status in preference to empty backhauls by regulated truckers and trucks operated by nonagricultural firms for hauling their own freight.

There has clearly been a shift from rail to truck movement of perishable commodities. Although data on unregulated trucking are unavailable, rail movements of 10 major perishable commodities have declined around one-third since the early 1960's, and much of the diversion of perishables from rails to trucks occurred before 1960. Because nearly all receipts were by truck, Federal-State Market News Service ceased reporting modal shares of receipts of some perishables at markets in the 1950's. Data for 1972 domestic market unloads of fresh fruits and vegetables show nearly 65 percent of shipments to be by truck, about 30 percent by rail or boat, nearly 5 percent by rail-truck (piggyback) and a fraction of one percent by air. However, the data are incomplete and it is likely that truck shipments are even more important for perishables than indicated.

Preliminary results from a recent ERS study of livestock transportation showed that nearly all cattle purchased or sold by handlers and feedlots were moved by truck. Most larger cattle shippers used services of for-hire carriers. In general, shippers reported that cattle were in good or excellent condition on arrival and when account was taken of distances hauled, there was little difference in condition between private and for-hire carriage.

Although service was judged generally satisfactory by most respondents, nearly 57 percent of livestock handlers and about 11 percent of feedlots reported that trucking

services were especially hard to obtain during some months in 1972—generally September, October and November. Peak demand for trucks for grain shipments apparently added to the temporary shortage of for-hire cattle trucking services that normally occurs in the fall.

The energy crisis, by increasing fuel prices and slowing speeds, has adversely affected trucking more than other bulk freight modes. These problems can be expected to increase trucking costs. Some of the costs will be passed back to farmers and shippers while others will increase consumer prices. Higher rates will also tend to make trucking less competitive with other modes. Where possibilities exist, some shippers will probably seek lower cost alternatives to trucks.

Dramatic increases in wholesale diesel fuel prices reflect the fuel shortage. The index of prices (1967=100) average 106.5 for 1970 and was at 113.9 in January 1973. By June 1973, it reached 158.1 and hit 326.2 in December. Prices had declined somewhat by February 1974 when the index was at 283.0.

To gain a better perspective on the effect of the energy crisis on agriculture, studies are needed on possible economies in fuel use and gains in efficiency resulting from reduction of empty truck backhauls in rural areas.

The dearth of data on the trucking of unmanufactured agricultural commodities is as marked as that on the condition of rural roads. The Census of Transportation has not as yet collected data on the flow of these commodities. Clearly, more effort must be devoted on a continuing basis in both these areas if problems are to be identified and corrected. Some exploratory effort is now underway for trucking, but more is needed. And, we have found no data on the operations of common-carrier truckers into, out of, and among rural communities. Some complaints are heard about service quality and withdrawal of service to communities.

Water transportation—Some limits

Dry cargo barge capacity on U.S. waterways has generally increased in the past decade according to a study recently submitted to the Congress by the Department of Transportation. The gain resulted from increasing numbers of barges and use of larger vessels. There were nearly 1,800 dry cargo barges in December 1972—about one-fourth more than in 1962. In 1972, about 80 percent of these barges were on the Mississippi River and the Gulf Intracoastal Waterway Systems which handle the bulk of barge grain shipments. Barge size, which averaged more than 1,100 tons in 1972, was up more than 200 tons from 1962.

Although water transportation is relatively inexpensive, there are constraints to the greater use of waterways. For example, locks on the upper Mississippi and Missouri Rivers cannot handle large tows and reportedly cannot easily be made adequate. Also, flooding during the months of heaviest use can seriously affect commodity shipments and add to the burden on other modes such as occurred in 1973. Winter freezing closes both barge traffic on northern river routes and shipping on the Great Lakes. Winter navigation on the Lakes is being discussed, but its feasibility has yet to be measured. In addition, because of lower speeds and longer distances on waterways, barge movements are slower than those on other modes.

Barge traffic, though limited by available waterways, seasonal operations, and lower speeds, has several advantages compared to other modes. Perhaps one of the most important is free use of waterways. Expansion and improvement in the system of inland waterways and lessening of other constraints on barge capacity has improved the competitive position of barges. Between 1940 and 1970, the share of intercity freight transported on inland waterways increased from 3.6 to 10.5 percent of the U.S. total. During that period, intercity freight traffic tripled while inland waterway traffic increased nine times.

Exempt for-hire barges, which are not subject to ICC regulation, are responsible for 85 percent of grain and soybean traffic on domestic internal waterways. Such barges have a competitive edge over both regulated barge traffic and regulated traffic on other modes. Exempt water carriage offers grain shippers and barge operators flexibility in pricing not available with regulated traffic. Exempt barge rates thus provide a system of rationing that is linked to supply and demand. In grain movements, such flexibility aids by more nearly matching the supply of barges with seasonal demands. Rate increases for grain shipments during periods of peak demand may attract barges from other uses, increase speed by use of more power, and encourage coordination of arrivals and departures to save time.

Shippers, particularly larger shippers, generally favor the present unregulated barge system with unpublished rates while regulated carriers see the system as unduly competitive, according to opinions reported in the DOT study. Increased competition and more flexibility would result from further lessening of regulation. For example, the Secretary of Transportation recommended to Congress that the restriction to no more than three dry bulk commodities in a single tow be repealed. In addition, repeal of the regulation forbidding combined tows of regulated and unregulated commodities was recommended. These recommendations were recently enacted into law.

TRANSPORTATION AND RURAL DEVELOPMENT

In addition to its effects on agriculture, transportation affects the nine out of ten nonmetropolitan families who do not depend on farming as their chief source of livelihood. Changes in the availability or cost of transportation may bring new industries into rural areas or close long-established businesses. Thus, the transportation system helps shape rural development. Possible changes in factors affecting availability of transportation services, such as increased fuels costs or railroad abandonments, require analysis to determine their probable impact on the rural economy and settlement patterns in rural areas.

Transportation is one of several factors affecting industrial location. However, study of the effects of transportation without considering other important factors may be misleading. The significance of transportation in industrial location is not clear, but its relative importance varies from one industry to another. For example, a coal-fired generating plant must have inexpensive transportation for coal. But a producer of precision instruments, electrical products, or other high value per unit of weight products, may be more interested in quality of service.

Several lines of research could help us understand the relationship between transportation and rural development. For example, we need to know much more about how transportation interacts with other factors in influencing the location of industry in rural areas. And we need to analyze how its importance compares with these other factors, including labor.

The relative cost and importance of alternative forms of transportation also requires study. For example, if a railroad branch line, which serves a business without truck service is abandoned, its effects on the local economy may be severe. Abandonment of a branch line serving industries that can easily switch to trucks might have relatively little effect. Knowledge of the role of transportation in location of industries would permit better analyses of the probable effects of railroad abandonments. In addition, further research on rail abandonment might indicate whether present fears of communities concerning declining property values, loss of jobs, and lessened prospects for economic development are warranted.

Finally, research is needed to define alternative futures for areas which may be hurt by transportation changes. If it is not economical to maintain all of the present rail system, for example, better guidelines are essential to help assess where businesses that are less dependent on railroads might be developed.

NEED FOR BIKEWAY CONSTRUCTION

Mr. BUCKLEY. Mr. President, on March 12, I was pleased to introduce S. 3159, legislation authorizing $20,000,000 a year in grants toward the construction of bicycle paths.

I developed this legislation because I believe that any Federal transportation program must provide for a balancing of needs, including the need for the opportunity to bicycle in our urban areas—whether the cycling is for commuting or for recreation. The bill would provide 80 percent of the cost for a bikeway.

Yesterday, the Wall Street Journal's editorial page carried a column by Burt Schorr entitled "Exposé of Sorts on Riding a Bike." Mr. Schorr writes of his experiences riding a bicycle on the crowded streets of Washington, an experience shared by an increasing number of people. The information he provides in the article should prove of interest to anyone seeking to foster a truly balanced urban transportation program.

Mr. President, I ask unanimous consent that Mr. Schorr's 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:

EXPOSÉ OF SORTS ON RIDING A BIKE

(By Burt Schorr)

WASHINGTON.—For the bicycle commuter, getting there is *all the fun*.

Never mind the bus fumes, the sadistic drivers, the unexpected downpours, the glass-peppered gutters and the assorted other hazards. Viewed from a bicycle seat, even the brownest urban landscape becomes an open-skied panorama of small sights and sounds lost when travelers abandoned the canal boat and the horse.

Cycling has acquired panache too. A new Corvette or Cadillac may stir grander illusions of power and sexual magnetism, but a lean athlete on a 10-speed Gitane or Schwinn, like Jascha Heifetz playing the Kreutzer Sonata, inspires deeper and more subtle feelings.

Or so it seems to a bicycle commuter whose own silhouette on a rusty three-speed Sears, Roebuck model is more mindful, perhaps, of Henny Youngman playing Camptown Races. Neither is this commuter's daily 1.2 miles of bicycling very heroic, leaving, as it does, another 10 miles of the roundtrip to be completed by city bus. Still, it does begin in a cloud of morning-fresh air, move at hedge-top levels past pink azaleas and yellow forsythia and last long enough in each direction to warm the blood without dampening the collar.

So much for the effusions of an enthusiast, however. Consider now the thoughts of Eric Hirst, a very serious energy analyst on the staff of the Oak Ridge National Laboratory. Mr. Hirst isn't interested in panoramas, the Kreutzer Sonata or pink azaleas. What he tells us, instead, is that figured in 1971

dollars, the energy needed to operate a bicycle costs 2.57 cents a mile. Period.

With gasoline heading for 70 cents a gallon and sirloin at $1.89 a pound, that may not sound like much. But for this commuter, who always took comfort in the thought that his bicycle ride, at least, didn't cost a penny, Mr. Hirst's calculation comes as a bigger jolt than a street full of thumb tacks. Based on an estimated 200 roundtrips a year, it means I'm shelling out $6.18—which inflation no doubt has pushed to well over $7 by now—in hidden energy costs annually. Multiply that by the estimated 65 million bicycles on the road these days and one could imagine the U.S. smack in the middle of a bicycle energy crunch, if not crisis.

Happily, "Energy Use For Bicycling," as Mr. Hirst's analysis is titled, assures us that just the opposite is the case. In 20 pages (funded by the National Science Foundation), he proves beyond dispute that the bicycle requires one heck of a lot less energy than the automobile. Conclusion: Ride a bike and save energy—or, as Mr. Hirst states it, "if 10% of the urban auto travel conducted during daylight and in good weather for trips of five miles or less were shifted to bicycles, the savings in 1971 would have been 180 trillion British thermal units, 1.8% of total urban automobile energy use."

That may not sound like much, but, of course, Mr. Hirst is talking about substituting the bike for the car only for short trips in the city—and then only once in every 10 such trips. Cyclists have suspected for quite some time that bikes save energy. But until Mr. Hirst came along, no one ever nailed down the facts with such relentless precision.

For, as Mr. Hirst sees it, there's a lot more to bicycle energy than merely pushing pedals. Indeed, muscle power accounts for only 110 of 1,340 BTU's that his analysis associates with a single mile of biking. (A BTU being the quantity of heat needed to raise by one degree Fahrenheit a pound of water whose temperature is approximately 39.2 degrees.)

First, it takes extra food to fuel those muscles. And behind that food are expenditures of energy for everything from producing fertilizer to harvesting. By Mr. Hirst's calculations these expenditures work out to 790 BTU's per mile.

Then there are 210 BTU's per mile associated with the manufacture, transportation and sale of new bikes; 290 BTU's for repairs, maintenance and tires; and—of interest to any cyclist ever squeezed between truck and shoulder—the 50 BTU's per mile per bike that Mr. Hirst allots to the construction and maintenance of bikeways he envisions spanning metropolitan America some happy day.

What about the commuter who has had three bikes stolen in as many years? Don't the growing number of thefts clash with the Hirst assumption that a commuting machine will last for 10 years? "Irrelevant," the bicycle energy expert footnotes, "because stolen bicycles can still be used."

"From the standpoint of society," Mr. Hirst explains from his temporary post at the Federal Energy Office here, "if someone rips off your bike it means you have brought his bike for him, but society as a whole hasn't lost any bicycles."

While he's on the telephone, Mr. Hirst confides some further thoughts that have occurred to him since completing his study. Riding his own 10-speed machine up the bike path from Mt. Vernon to Washington the other Sunday for example, he was surprised to encounter "dogs, people and all kinds of cyclists—some cutting in and out, others who scarcely knew how to ride." As a result of this experience, Mr. Hirst believes his published calculation of bikeway capacity at 5,900 bicycles per hour is wrong; perhaps 3,000 per hour would be a safer maximum.

Another complication, notes Mr. Hirst, is one of accounting—do you charge the costs of bicycle commuting to transportation, recreation or exercise? As a bicycle commuter at the Oak Ridge lab in Tennessee, Mr. Hirst says his 40-minute roundtrip run provided all the exercise he desired. But when a change in office location forced him to begin carpooling instead, he began swimming thrice weekly in the municipal swimming pool. He now offers the tentative hypothesis that "if the cyclist rides to work in lieu of jogging or something else, the extra time on the bicycle should be charged to exercise or recreation, not transportation."

And so, bicycle commuters, there you have it—the definitive study. Fuel yourself with steak and your commuting costs will seem to go out of sight. But charge them off to exercise and recreation and they'll come right down again. And any way you figure if you're going to enjoy yourself—but, of course, you know that already.

FOR SOME SENIOR CITIZENS—OLDER YEARS ARE GOLDEN YEARS

Mr. HUMPHREY. Mr. President, recently I read two fine articles dealing with the positive side of old age and how some individuals have succeeded in making these years truly golden. It is very satisfying to know that many elderly individuals continue to lead happy useful and productive lives.

"It's No Sin To Be 75," an article in the Washington Post, points out some startling statistics. People over 60 account for more than two-thirds of the world's creative output in medicine, science, government, and the arts, according to a recent study. For instance, William O. Douglas has served on the Supreme Court for 34 years and he claims he has no plans to retire. The article also cites 75-year-old Golda Meir's strenuous business schedule from 7 a.m. until 1 or 2 the next morning. According to Mrs. Meir's doctors, her health has improved since she took office in 1969.

Another article, entitled "Old Age: A Case of Spirit, Not Chronology," and appearing in the New York Times, describes the active and fulfilling lifestyles of five women, all of them past 75. Mrs. Rosalba Joy, for example, a professional storyteller, travels around the northeast to women's clubs, colleges, and church groups telling legends and folktales. According to Mrs. Joy:

I do not memorize my stories. I live them.

And Mrs. Ida Martus, who broke her hip almost 3 years ago, continued to partake in those things she loved, namely the theater and teaching.

Mr. President, the contribution of our elderly people is too often brushed aside by younger generations of people in too much of a hurry to notice. The contributions being made by older citizens can be an inspiration to all of us, if we will only take a moment now and then to observe what these people are doing for America.

Mr. President, we in this body are normally concerned with the problems of the elderly. Admittedly they are many and deserve our attention. But, I think its important to remind ourselves occasionally of the contribution these people make—in a wide variety of ways—to the quality of American life.

Mr. President, I ask unanimous consent that these two inspiring articles be printed at this point in the RECORD.

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

IT'S NO SIN TO BE 75

(By Rita Ciolli)

People over 60 account for more than two-thirds of the world's creative output in medicine, science, government and the arts, according to recent study.

Bernard Baruch became the U.S. representative to the United Nations Atomic Energy Commission and formulated the Baruch proposals for international control of atomic energy at 76; George Bernard Shaw won a Nobel Prize when nearing 70; Golda Meir, the 75-year-old prime minister of Israel, is the woman most admired in the U.S., according to the latest Gallup Poll.

Mrs. Meir keeps up an exhausting schedule, rising at 7 a.m. to tend to the business of Israel until 1 or 2 the next morning.

"It's no sin to be 75," she says. Her doctors continue to be amazed by her health, which they say has improved since she took power in 1969.

Supreme Court Justice William O. Douglas, who has served 34 years on the nation's highest court, has no known plans to retire. Douglas, 75, has a heart pacemaker and a 29-year-old wife, Cathy. He credits both with keeping him active. When quizzed about his age or his health, Douglas always points to the example of his predecessor, Oliver Wendell Holmes, who retired from the court at 90 and did some of his best work after 80.

People whose lives center on the arts rarely retire. George Abbott, 86, directed the current revival of "The Pajama Game," his 116th Broadway production. Abbott, who flew back to his island in Florida after opening night, is rewriting some of his earlier plays, which he hopes to produce soon. Abbott says he put as much time and work into the restaging of "Pajama Game" as he did in the original production. "How can you stop working when you're doing something you love?" he asks.

Ida Kaminska, grande dame of Yiddish theater, says she never intends to stop working. Mrs. Kaminska, 75, says she has started her life anew many times in responding to the challenge of keeping the Yiddish theater tradition alive around the world. Having just published her autobiography, "My Life, My Theater," Mrs. Kaminska's next venture is to try her hand at film directing. "I can't be happy if I can't work," she says.

OLD AGE: A CASE OF SPIRIT, NOT CHRONOLOGY

(By Lisa Hammel)

This is about five women, all of them past 75. But they are not old.

"I'm too interested in the things I'm doing to have time to be old," Rosalba Joy said firmly.

Disappearing into her minuscule kitchen, she emerged moments later with a teapot and a plate of seaweed cookies, poured the spicy tea—redolent of oranges—and then lowered herself into a not very comfortable looking chair in the living room of her sparely furnished apartment.

Mrs. Joy is a professional story-teller, a career she began—after years of acting and out-of-town directing—when her husband (a journalist and writer) died about 20 years ago.

Every month, "rain or blizzard or shine," Mrs. Joy travels around the Northeast to women's clubs, colleges, church groups, telling legends and folk tales.

Does she read them from a book?

"Never!"

"Reading," she went on, drawing herself up indignantly, "is not story-telling. It makes

me furious when people say, 'You do read so well,' because I never take anything out with me. I just come on and tell the stories."

What a feat of memory then, to have about 85 stories sitting in one's mind.

Mrs. Joy smiled, and her face creased into hundreds of well-tracked lines. "People are always saying after programs, 'What a marvelous memory you have.' And I just smile like a pussycat and say, 'Thank you.' But the thing is, I don't memorize my stories. I live them."

And then there's the Food Conspiracy. The Food Conspiracy? It turned out to be a food-buying cooperative, whose meetings are held every Monday night at Mrs. Joy's home. "I'm also involved in a tenants' group," she said. "I've been going down to City Hall fighting to keep rents down. It's deadly, but you have to do it." Mrs. Joy also meets with a group of older people.They say they don't know what to do with their time; I cannot understand it," Mrs. Joy said. "The other day, I took over a whole bunch of things I'd made—like Mexican cloth appliqué pictures. It was not a great hit."

Stella Sweeting Fogelman lives alone in an apartment with eight rooms, five baths and a magnificent view of Central Park. She grew up in Fall River, Mass., the daughter of a letter carrier.

"My folks couldn't afford to send me to college," she said, leading the way through rooms full of Orientala and other memorabilia brought back from her travels.

She's been making up for that deficiency ever since. As soon as she could, she sent herself to college and ended up with three degrees, including a Ph.D. She specialized in educational administration, and "taught every grade from first to graduate."

And if that wasn't enough, she's been taking courses at the New School (where she also taught) since 1920. At the moment she's studying Spanish there. "Today," she said, waving a small blackboard covered with Spanish phrases, "we have to be bilingual."

But Stella Fogelman, blond and bespectacled, who walks fast and talks fast ("I can't seem to slow down"), also spends a lot of time just having fun.

"I'm out entertaining six or seven days a week. I just like people. And the terrors of the city don't bother me. I'm not going to live bottled up. My life today isn't much different from what it was when my husband was living. [He was a textile manufacturer, and died in 1966.] Its the foundation that determines how you continue on."

Her concession to advancing years is minimal. Mrs. Fogelman said she doesn't lift heavy things anymore. "Now I push and pull," she noted as she dragged out a chair.

"I have total recall," said Estelle Frankfurter, as she stood at the door of her antiques-filled apartment. She was right. She does.

The small, sharp-witted woman, who seems more to flutter down and perch on chairs than sit, recalled vivid details of her past life—many years of it spent in Washington as a member of the National Labor Relations Board.

Today, much of her time is given to volunteer activities, among them, working two days a week with youngsters at P. S. 20 on the Lower East Side.

When Miss Frankfurter first decided to tutor for the New York City School Volunteer Program after her retirement nine years ago, she made one condition: the school would have to be within walking distance of her apartment on Park Avenue. The agency was a little surprised when it was discovered that "walking distance" meant "no more than three miles."

"I wouldn't know how to ride there," she said. "And I've never missed a day, except when I had an eye operation."

But as soon as school is over, she heads abroad and spends the nine weeks hurtling around foreign parts—on a bus.

Judith Epstein, a tiny plumpish woman, seems to move in sunshine. Her large living room is a spectrum of sunny yellows, her manner is warm and her expressive face is constantly being overtaken by the crinkliest of smiles.

Time—having enough of it—has always been something of a problem for her. She was twice national president of Hadassah, has done volumes of public speaking, traveled to Israel more times than she can remember, and now will be promoting a book she helped edit on the history of the organization.

"If you practice for an hour and a half every morning [Mrs. Epstein is taking piano lessons] and go to Hadassah every afternoon and do the marketing and look after the house and you have a family and you entertain a good deal—good conversation, intellectual stimulation, is one of our great joys" . . .

She shrugged expressively, and smiled.

"And there's the dancing," she said, as her husband, Moses, a retired textile manufacturer, walked into the room. "We love to dance. We used to go to the dansants, but you can't find them in New York any more. Now we dance mainly when we go away.

"My mother said once, you have to establish your life line before you need it. The only horror I have of old age is the physical inability to do what I want."

Ida Martus broke her hip almost three years ago. Complicated by arthritis, it has still not fully mended and she has to use a metal walker to get around.

"It doesn't slow me down too much," she said as she led the way into her pleasant living room.

Mrs. Martus, who was an English teacher for many years, also had another love—the theater. For several decades, she worked for the City Center as liaison between school groups and the company, a job she left only a few years ago.

Theatergoing is still an important part of her life—the walker notwithstanding. So is entertaining the constant stream of visitors who come to her because she can't get out much ("I cook and they help with the serving").

"I don't feel old," she said, "when I talk to people and the conversations are good. There's no old age when your mind keeps going."

Ida Martus has not had the easiest of lives. Was there anything she particularly regretted?

"Yes," she said, a little sadly. "I left my job when I was 74. I retired too young."

OIL: THE POLICY CRISIS

Mr. BROOKE. Mr. President, ABC News has made a significant contribution to the continuing debate on oil policy with a documentary entitled: "Oil: The Policy Crisis." Aired on March 20, this excellent piece of broadcast journalism gets right to the heart of the present controversy, outlining clearly the major decisions and actions which have led to today's shortages. It should be most helpful to all of us as we forge a new oil policy which hopefully will correct these past mistakes. I ask unanimous consent that the text of this broadcast be printed in the RECORD.

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

ABC NEWS CLOSEUP—OIL: THE POLICY CRISIS

Senator HENRY JACKSON. The truth, the whole truth and nothing but the truth . . .

JULES BERGMAN. Eight weeks ago, after the first shockwave of the fuel shortage, top executives of the major oil companies were called to testify before a Senate Investigating committee——

ANNON M. CARD. Mr. Chairman, I'm Annon M. Card. I'm a Senior Vice President of Texaco, Incorporated.

DAVID BONNER. Mr. Chairman, I'm David Bonner, Executive Vice President of Gulf Oil Corporation; President of Gulf Oil, U.S.

Senator HENRY JACKSON. We have determined that the seven companies' stocks of crude oil and refined products were as high or higher at year end in 1973 as they were one year earlier. We also know that the nation's distress is extremely profitable to the oil industry.

DAVID BONNER. We have not heard a shred of evidence to support these accusations. On the contrary, you have our sworn statement that these charges simply are not true. We are reputable businessmen. We are not cheaters and gougers and we resent any inference from any quarter that we are.

JULES BERGMAN. Question: Government policy has been aimed at providing a plentiful supply of oil, but today fuel is scarce and its price is sky-rocketing. Why?

Abundance or scarcity?

Is it an energy crisis or an economic or policy crisis?

Question: Oil companies have reported record profits since the gas and oil shortage began, yet gas and oil prices continue to rise. Why?

Question: Government policy was aimed at strengthening domestic oil production. Yet the rate of oil drilling and refinery construction has declined here at home for the last 15 years. Why?

Senator RUSSELL LONG. I think it's the fault of Congress and the fault of the President. Congress and the President have yielded to the political pressures and they have not informed the American people the way they should have been informing them, that what appears to be a good short-term answer is not a good long-term answer.

JULES BERGMAN. I'm Jules Bergman—and this program is a primer on oil and oil policy. It is designed to help understand the current crisis.

If there is confusion in the public mind on the so-called energy crisis today, the problem did not begin yesterday or last October.

In the next hour, we will look behind the headlines. We will examine this question: Has government policy protected the public or has government followed policies more likely to benefit the oil companies at public expense?

If shortage is the current curse, the major problem that has always faced the oil industry has been too much oil, not too little.

There has always been—and there still is—a staggering amount of oil in the world. There is a single field in the Middle East, for example, which contains half as much oil as the United States has ever used.

In the Middle East, crude oil is abundant and extremely cheap to produce. But even here in America, where oil is less plentiful and more costly to produce, there may be as much as 300 billion barrels still in the ground.

The enormity of the world's petroleum reserves has always been a problem for oil producers. The reason is simple. If too much oil reaches the market at any one time, prices drop and so do profits. The result has been a continuing struggle by oil interests—often with government assistance—to restrict production so that prices won't fall. And, it is price, not supply, as we shall see, that is the crucial factor in the energy equation.

Professor M. A. ADELMAN. As the price of oil goes up, crude oil reserves—proved and potential—tend to go up with it because much more oil now becomes worth drilling for and producing that previously wasn't.

WILLIAM VEITCH. The nature of the energy crisis is an economic one.

GARLAND MERRELL. It's a crisis of price primarily.

JULES BERGMAN. It all begins with drilling—from a few hundred to more than twenty thousand feet down and then pumping it out of the ground. Oil is our single most important and most versatile energy source. It supplies about half of our need for power and fuel. In a way, oil is a resource too precious to burn.

A huge petro-chemical industry is based on oil—manufacturing many thousands of products from plastics to medicines. Common as all these uses and products are, the oil business is still shrouded in mystery for most of us.

From wellhead to refinery and from tankers and pipelines to gas stations and home oil tanks, the U.S. oil industry is a technological maze so complex that few outside the business understand it . . . an economic enigma that the oil industry has never told the public much about . . . This much is certain . . . the raw product, up to now, has been unbelievably cheap and yields high profits . . .

The automobile—abundant fuel, superhighways, and a government generous to the oil industry—did much to shape America.

Answers to some of the questions about the oil industry today may be found in the early history of oil and government.

With the invention of the internal combustion engine, and the coming of the "horseless carriage" the oil business had its first bonanza. Up to this time, the main produce of oil was kerosene.

Gasoline, the volatile ingredient of oil was just a nuisance by-product to be gotten rid of. But with the invention of the auto, gasoline became indispensable and the automobile—an American institution.

There were nearly half a million cars on the road by 1910. By then the first of the great oil empires—John D. Rockefeller's Standard Oil Company had been built around the oil fields of the East—in Ohio, Indiana, and Pennsylvania.

The oil rush was on. Standard Oil had already reached out to establish itself in other parts of the country. The really big strikes were made in the Southwest. Oklahoma Congressman Tom Steed recalls those early days:

Congressman TOM STEED. It took crazy guys to drill. The Great Cromwell field was drilled by people that were crazy. The smart boys said, well there's no oil there, but there was . . . I think the first well was drilled in Oklahoma in 1907 and they've been expanding ever since.

In those days, you know, they didn't know how to keep the well from being a gusher . . . that's where the word gusher, it would gush out over the derrick and they had casing crews that would run in and they get right in this great stream of oil and turn the valves and shut it off and they'd get oil all over them, just bathed in it . . .

JULES BERGMAN. John D. Rockefeller shrewdly recognized that the risk in the oil business lay in the exploration for crude oil. So he concentrated his efforts in the refining part of the business. But he had little taste for competition.

Through Standard Oil, Rockefeller gained control of the bulk of the nation's refining capacity which gave him a corner on the oil market.

"The day of combination is here to stay," Rockefeller once said. "Individualism is gone, never to return."

Transportation of crude from oil field to refinery also came under the control of the oil companies. From the oil producing state of Louisiana, Senator Russell Long:

Senator RUSSELL B. LONG. A major company, like Standard Oil, could freeze you out. They could fix it up so you couldn't move your oil. You might have a lot of it there but you had the obligation to produce and sell oil along with the . . . the right to drill for oil . . . and . . . they had the power to conthol those railroads and you couldn't move it, so they'd freeze you out. That happened to my father, by the way. One reason that he was a very successful politician was that the major oil companies broke him when he tried to be an oil man.

JULES BERGMAN. With mounting public sentiment against monopoly—the government finally moved against Rockefeller.

ANNOUNCER. Document: "Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce . . . is hereby declared to be illegal." The Sherman Anti-Trust Act of 1890.

JULES BERGMAN. After years of court battles, a 1911 order from the Supreme Court forced the Standard Oil trust to split into 34 separate companies, each in a different region.

But, the Standard Oil anti-trust case is at least as important to us today for what it *did not* do as for what it did.

It did not eliminate the potential for lessening competition.

It resulted in not one, but a number of companies, each of them operating in all phases of the oil business—Standard of California; of Indiana; of Ohio; of New York, now called Mobil and Exxon—the largest of them all was formerly Esso—Standard of New Jersey.

Gulf Oil—The Texas Company—and others followed similar routes of vertical development . . .

Today, the petroleum industry is dominated by about 18 integrated companies—called "majors."

They own or control the product through the four basic levels—crude oil production—refining—transportation . . . whether through pipelines, tank-ships or tank trucks—and marketing . . . wholesale and retail.

This is called "vertical integration." Oil industry spokesmen say this is the most efficient way of serving the public interest, but Democratic Senator Frank Moss of Utah believes it lessens competition . . .

Senator FRANK E. MOSS. This means that the same company is the explorer and driller and producer of oil . . . He owns the pipeline that he puts it into . . . He sends it on to the refinery, refines it, puts it in another pipeline and sends it out to the retail outlet, and finally puts it in the consumer's gas tank. Therefore, he controls the thing from one end to the other . . . And, this has enabled the oil companies to be virtually independent of a free, competitive market.

JULES BERGMAN. Martin Lobel is a Washington attorney who represents a group of independent gasoline marketers.

MARTIN LOBEL. First of all, the major oil companies are all in joint ventures throughout the entire world. If you take a look at this last offshore lease sale for crude oil in federal lands . . .

AUCTIONEER. The next bid is a joint bid of Chevron, Amoco and Union of Cal. The amount of this bid is forty million three hundred ninety-two thousand dollars.

MARTIN LOBEL. Almost all of the bids were joint ventures between Exxon and Mobil, Mobil and Texaco, Texaco and Exxon . . . They all deal together. They exchange gasoline together. They exchange it with each other through the pipelines which they own.

CLIFTON C. GARVIN. The petroleum industry, I believe, is one of the most competitive industries of any, it's highly competitive in the market place, with a wide range of service stations; it competes for opportunities to explore and look for crude oil . . .

Exploration, primarily, is a very high risk kind of thing. You saw recently where they had a sale in the off-shore in the Gulf of Mexico, and the industry spent something like a billion and a half dollars just for the right to go look and prospect for oil. Sometimes the assessment of these risks are so great, and the money costs are so great, it's deemed advisable to share that risk.

JULES BERGMAN. In the gasoline market, Exxon and the other majors have competed largely by promoting their brand names . . . names that are familiar to every motorist.

But, most of the price competition has come from independent marketers who buy gasoline wherever they can get it, and sell it cheap.

Senator Moss—

Senator FRANK E. MOSS. The independents have brought what degree of competition there is in the industry. They've kept the price of gasoline down within reach of the ordinary consumer pretty well, until recently. What the independents did was to buy gasoline and other products at a spot price on the market. They'd cut the price of gasoline to the consumer 2 or 3 or 4 cents, whatever it is . . . we've all seen these little cut-rate stations and, as I say, they're being squeezed out of business.

JULES BERGMAN. The Federal Trade Commission—in a staff report last summer—charged that the major oil companies had helped create the fuel shortage. The report charges that the majors had used the shortage to drive independent gasoline dealers out of business.

ANNOUNCER. Document: "These major firms, which consistently appear to cooperate rather than compete in all phases of their operation, have behaved in a similar fashion, as would a classical monopolist: they have attempted to increase profits by restricting output."

JULES BERGMAN. The report was met by strong criticism from industry and some sectors of government. Nevertheless, as a result of the staff report, the Federal Trade Commission last July 18th filed an action against the eight largest oil companies.

ANNOUNCER. Document: "Respondents . . . have contributed to the non-competitive structure of the petroleum industry . . . (and) . . . as alleged herein . . . operated to prevent free and open competition."

JULES BERGMAN. Frank Ikard, President of the American Petroleum Institute—

FRANK N. IKARD. I think the courts will find that there's no basis for it. This matter of competition is one that's been within the oil industry, has been viewed by the Department of Justice, many of the courts and all kinds of anti-trust actions and up to this point in time, and I know of nothing that would change that, the, all the findings have been that there are competitive forces at work and I'm sure that'll be the case here.

JULES BERGMAN. The Federal Trade Commission charges are also strongly denied by the 8 oil companies named. The case is likely to take years to resolve.

One constant in this country's tortured search for an energy policy has been the generosity of the American consumer and taxpayer to the oil industry.

There were four government policies principally responsible for this—a patchwork combination of tax advantages and import and production restrictions—the oil depletion allowance . . . demand prorationing . . . foreign tax credits . . . and import quotas.

These are not the only policies that have affected the oil industry. But they are significant because their effect has been to hold oil company taxes down, and consumer prices high.

We will try to explain each of these policies and how they helped bring this country to the fuel emergency that we have been facing.

The first of the tax breaks granted the oil companies is the oil depletion allowance. Enacted in 1926, it allows those who produce oil to take a flat percentage deduction—now 22 percent—on their income from each well.

Oklahoma Congressman Tom Steed explains:

Congressman TOM STEED. Now, when the oil comes out of the ground, that's it. You're out of business. So, each barrel you take out depletes the amount of oil there and this is an incentive to help you get back the heavy investment you have to make to produce it.

GARLAND MERRELL. We produce a barrel of oil out of the ground and when we can no longer get it out, then we have the risk of going to spend anywhere from 15,000 to 15,000,000 dollars looking for another barrel of oil. So this is the reason for this.

JULES BERGMAN. Senator Philip Hart is chairman of a Senate subcommittee that has investigated the effects of government oil policies.

Senator PHILIP A. HART. It's encouraged discovery . . . all around the world, but not here.

Mind you, here's a policy that was established to encourage domestic discovery to make us more self-reliant, and yet they permitted the depletion allowance to be applied also if you were drilling the well in Saudi Arabia.

Senator RUSSELL B. LONG. It hasn't helped us to have the industry here that we should have had. Looking back on it, I think if we had given the depletion allowance here and not to American companies when they drill overseas, it would have come nearer to meeting the purpose we had in mind for it.

JULES BERGMAN. In 1930, there was a fabulous oil strike in East Texas . . .

It followed other big strikes in Oklahoma.

Poor farmers, struggling amid the Great Depression, suddenly found there was untold wealth beneath their feet.

The result was pandemonium—an oil boom that has been described as the greatest treasure hunt America has ever seen.

The market was soon glutted with oil—the price plunged and there was enormous waste.

In both Texas and Oklahoma, the governors sent in the National Guard to shut down the oil fields.

A system of prorationing was begun. The production of each well was limited and the overall production was limited to the amount that could be sold at a profitable price.

JOHN MURPHY. Market demand proration came in with the East Texas oil field. We had Seminole, Oklahoma City, then East Texas, and we had a giant surplus of crude oil in the United States. The surplus was so great that the buyers would not pay the producers a realistic price. Crude went to ten cents a barrel and at that price, you just took an oil well and what we call gutted it—you opened it wide open, got all the oil out you could and abandoned it . . .

Poured the salt water in, and recovered maybe 10% of the oil the well would have made if it was produced properly. But to produce it properly, you have to restrict the production . . .

You can't restrict production with 10 cent oil, so the Texas Railroad Commission was formed and we shut in East Texas, and put a market demand proration where we only produced the amount of oil that there was market for.

JULES BERGMAN. In the present fuel shortage, demand prorationing is no longer holding down production. It undoubtedly prevented a lot of waste in the days of overproduction. But its real purpose was to keep prices up by restricting production. And, as Professor Morris Adelman of MIT, one of the world's leading oil economists, points out, it resulted in fewer large, efficient wells being drilled—the very kind we need most today.

Professor M. A. ADELMAN. It tended to inhibit the search for large, low cost deposits of oil. Because that kind of search tends to be expensive and the oil man wants to think twice before he puts a lot of money into finding a big pool which he will be permitted to produce only very slowly and at high cost.

MELVIN MORAN. Why would anybody in their right mind spend forty or fifty thousand dollars to drill a well worth $14,000? Well, of course, they wouldn't and that was a low point in exploration because it just didn't pay to drill when you could only sell approximately seven barrels a day.

WILLIAM VEITCH. Well, we're paying for it now. Was it economical? We're paying for it, people are . . . can't fill their gas tanks. We said a long time ago, we said at that time, there was no reason to have prorationing.

JULES BERGMAN. Until the early 50's, America supplied most of the world's oil . . . but the Middle East was soon to become a major center of production.

Massive reserves of oil were discovered in the Persian Gulf in time to meet the growing demands of the industrial boom after World War II. There was concern in the cold war atmosphere of that period that if a way weren't found to bolster the economies of the new oil-producing nations, they—and their vast mineral wealth—might slip behind the iron curtain. So, in 1950, a tax ruling was secretly ordered by the National Security Council. Under this ruling, American oil companies could subtract monies paid to foreign governments for oil from their United States tax bills. The result was a sharp increase in payments to the foreign governments. The oil sheiks got rich and the American taxpayer helped pay the bill.

White House aide Peter Flanigan explains the policy—and its purpose—

PETER M. FLANIGAN. As a matter of fact the oil companies pay taxes, but they pay taxes abroad and take them as a deduction against their U.S. taxes. The question however is not what taxes they pay . . . they do pay them, but rather do they get for the American people the oil, the gasoline, the heating oil that they want at a competitive price.

Senator WALTER MONDALE. In the United States, if an oil company pays royalties to an owner of oil properties, that's a deduction from business expenses. Overseas it's considered a tax and is accredited, a hundred percent of it is just taken off the tax bill, I mean it's incredible.

Senator HENRY M. JACKSON. Simply stated they could offset all the taxes over there against their corporate taxes here, which meant that they were paying taxes, many companies, down as low as 2% instead of a 48% tax.

Dr. JOHN M. BLAIR. It is probably the principal reason why the major oil, international oil companies have not expended more of their activity and their resources toward the task of finding more sources of oil in this country.

S. DAVID FREEMAN. I think that the part of it that perhaps is most exasperating to the citizens today is to learn that we're giving incentives for people to drill overseas in countries that are embargoing oil to us, so that we're . . . we have incentives now for the industry to drill in the wrong place.

JULES BERGMAN. The foreign tax credit undoubtedly helped keep America—and American oil companies—on good terms with foreign oil governments. But there is now good reason to doubt whether it helped America's energy supply.

Until last May American consumers were allowed only limited quantities of the cheap foreign oil their tax dollars had helped produce. The reason was a system of quotas to restrict imports of foreign oil. The quotas were begun in 1959.

S. DAVID FREEMAN. During those days, oil could be imported for a dollar or a dollar and a half a barrel, less than domestic oil, so we had domestic oil as a sort of an island, a high priced island, and we had this wall that kept us insulated from the rest of the world, and the wall was the oil import quota system.

JULES BERGMAN. Why were the import quotas kept so long when they forced the American consumer to pay higher prices for oil?

PETER M. FLANIGAN. Simply because that was the way to encourage more production here. They were kept long because we needed the production here. That's why we're better off than our friends abroad.

Senator PHILIP A. HART. Well, it surely hasn't made us self-reliant, that's point number one. It didn't meet that objective. What it really did was protect the domestic price of crude from the competition of the cheaper Middle Eastern oil.

Second, it encouraged them since they had this massive crude supply in the Middle East and couldn't bring it in here to put their money for the construction of refineries into Europe or some place else where they could bring their cheap Middle East oil in without any quota.

BRIT HUME. Why do we have a shortage of fuel today?

Dr. JOHN M. BLAIR. We have a shortage of fuel primarily for the reason that we have a shortage of refining capacity. And that shortage of refining capacity, in turn, is a legacy of the failure of the oil companies to keep up with demand in their construction of refining capacity.

JULES BERGMAN. Why weren't new refineries started two or three or four years ago?

CLIFTON C. GARVIN. Well, there's been a lot said about that and the very simple reason was it wasn't economically attractive to build refineries in this country during that period of time.

ROBERT ENGLER. The new refineries built with American consumer and, in effect, taxpayer money have been built abroad, because the exciting new markets are markets in Europe and in Asia.

S. DAVID FREEMAN. While the oil in the world was abundant and cheap, we kept it out. Now that apparently it is becoming scarce and expensive, we seem to be more and more dependent on it.

Senator RUSSELL B. LONG. The major oil companies are in business to make a profit and they did what you'd expect them to do. They're going to produce the oil where they can produce it the cheapest and they're going to sell it where they can sell it the highest and that's just what they did.

They could make more profits by developing the capacity of Saudi Arabia to produce oil than they could developing the capacity of the United States to produce oil.

S. DAVID FREEMAN. I'm not as shocked as some people that the oil industry is not delivering the goods because, you know, we've seen this, this trend coming, and quite frankly protecting the public against emergencies such as an Arab embargo is essentially a responsibility of government, and I would feel that the failure here is a failure of government policy.

JULES BERGMAN. Professor Adelman, is this an energy crisis or an oil policy crisis?

Professor M. A. ADELMAN. I think it's mostly an oil policy crisis—long run there's certainly no energy crisis except what we make for ourselves.

JULES BERGMAN. The contradictions of federal oil policy are obvious. The import quota system and demand prorationing were intended to build a strong domestic industry. They didn't do that. Moreover, the depletion allowance for foreign production and tax credits for royalties paid abroad were ac-

tually encouraging the major American oil companies to explore and produce outside the United States. The resulting uncertainty of crude oil supplies led to a lag in our refining capacity. These policies, working at cross-purposes, cost Americans billions in higher prices and taxes. Some facts on how they came about—and why—will be examined next.

Lobbying and having friends in high places is an accepted part of American political life. Almost every member of Congress, for example, can be identified with one so-called special interest or another. The object: to secure favorable legislation, the best possible treatment by government agencies, or to promote a good image and sometimes just good will.

Since the early days of oil, friends of the industry or oilmen themselves have found their way into the highest councils of government.

From the depletion allowance to the import quota system—and from Teapot Dome to Watergate—the relationship of the U.S. Government to the oil industry is a tale of power, politics and money.

In the 1920's, Andrew Mellon of Gulf was Secretary of the Treasury under three Presidents from Harding to Coolidge to Hoover. He was in office when Congress enacted the oil depletion allowance.

Oil was at the center of one of the great political scandals in U.S. history—the Teapot Dome Affair of the 1920's.

Harding was President. Secretary of the Interior Albert Fall was paid $125,000 by two oilmen to let their company drill for oil on public property in Wyoming. The land had been quietly transferred to the Interior Department from the Navy by the Harding administration. The Supreme Court later ordered it returned to the Navy. The court said the transfer was a result of conspiracy, corruption and fraud.

In 1931, the National Guard, as we mentioned earlier, was sent into East Texas to stop the oil boom that had driven prices down to a dime a barrel.

The order came from Governor Ross Sterling, the former President of the Humble Oil Company. The soldiers were under the command of a Chief Attorney of Texaco, who had gone on leave to enforce the martial law.

George McGhee, a veteran oilman, shown here later with President Kennedy, was Assistant Secretary of State in the late 1940's under President Truman. He was a sympathetic ally of oil when it pushed for the Foreign Tax Credit.

He is now on the board of Mobil Oil, one of the companies that benefits from the foreign tax credit.

Another oilman, Robert B. Anderson, was Secretary of the Treasury in the second Eisenhower administration. He was formerly President of the Texas Mid-continent Oil and Gas Association and a strong supporter of the depletion allowance in Congressional testimony.

Anderson was a member of Eisenhower's cabinet committee which recommended the import quota system . . . a recommendation later adopted without substantial change by President Eisenhower.

Meanwhile, Eisenhower himself was the beneficiary of the generosity of other oilmen, who paid the upkeep on his Gettysburg farm. The three oilmen insisted they invested in the farm as a business venture. But the Internal Revenue Service, after an investigation, concluded that their investments had been a gift. Included were landscaping, construction of a show barn, remodeling of one building on the property as a home for the President's son and remodeling of the main house. All told, it came to about $500,000.

In the 1950's and 60's, Senator Paul Douglas of Illinois, leading minority opposition, fought the depletion allowance in Congress, bucking powerful members of his own party—

Men like Lyndon Johnson of Texas, then-Senator majority leader . . . Senator Robert Kerr of Oklahoma—co-founder of the Kerr-McGee Oil Company—was a member of the Senate Finance Committee—Kerr once stated, "I represent the financial institutions of Oklahoma . . ."

Men like Sam Rayburn of Texas—speaker of the House of Representatives—who would turn his back and refuse to listen to one colleague whenever he spoke against the depletion allowance.

S. DAVID FREEMAN. In order for a President to get any sort of legislation through the Congress in the late 50's and early 60's, he had to make his peace with the leaders who usually exerted, as I understand it, some price in terms of favors for the oil and gas industry. So, you had a situation where the general public could care less and actually energy policy decisions were decided pretty much on the question of how will it affect you in Texas in the next election.

JULES BERGMAN. Although oil had plenty of friends in Congress, it tried to make more.

In 1956, Senator Francis Case of South Dakota announced that a plain envelope containing $2,500 had been given to his re-election fund. The money was in exchange for his vote in favor of a bill—strongly favored by the oil companies—to end the federal regulation of natural gas prices. Case said the payoff convinced him to oppose the bill.

Senator FRANCIS CASE. It makes it difficult for me to vote for the bill when it becomes evident that there must be some special profits in it for somebody so that they would take this much interest in how I was going to vote.

JULES BERGMAN. The Senate finally passed the bill, but the scandal over the money given to Case was enough to persuade President Eisenhower to veto it, even though he had originally supported the legislation.

Senator Moss recalls another incident:

Senator FRANK E. MOSS. This had to do with a man who was sent out to help in my campaign from Washington. I suppose it was the Democratic campaign committee, although I was not entirely sure of that . . . I was new, just running for the first time. And, he was helpful in my campaign. In the course of that he came to me and said, now, I can get you a 5,000—and sometimes it's moved to 10 . . . my memory is 5,000—dollar contribution, and the only commitment you'll have to make is that you will vote when the matter . . . if the matter . . . comes up in the Senate, to retain the depletion allowance at 27½ percent. This I knew was one of the issues that swirled around at that time. After considering it just a few moments, I said, well, of course, I need the money awfully bad, but I can't commit my vote in advance.

JULES BERGMAN. Oilmen gave heavily to President Nixon's 1968 campaign. And they got a promise from him to support the oil depletion allowance. In the President's 1972 campaign, there were huge contributions reported from oilmen. But, as the Watergate investigation disclosed, there were some contributions from the oil interests that were not reported. Three oil company officials have been convicted and fined for making illegal donations to the Nixon campaign from corporate funds.

Just before the present fuel crunch, import quotas were suspended. But President Nixon was urged four years ago to get rid of them by a task force led by Treasury Secretary George Shultz.

S. DAVID FREEMAN. I participated by being a member of the task force and, I think, the history is pretty well known. The task force recommended abolishing the quota system, but something happened on the way to the White House and it just didn't get implemented.

JULES BERGMAN. How much power do the oil companies have in Washington?

PETER M. FLANIGAN. I would say that they have no more power in Washington than other companies or citizens.

They have the right, in fact, they've got the responsibility of making their positions known. But in terms of getting those positions accepted, they are only going to be as good as their arguments. As good as their persuasiveness that what they want is in the national interest.

JULES BERGMAN. Why were oil import quotas so touchy an issue in the White House?

JOHN D. EHRLICHMAN. Well, they were a touchy issue because Texas is an important political state. Let's face it . . . And, John Tower and George Bush, and other political allies of the administration felt very strongly about this. Senator Long felt very strongly about it, and he's from Louisiana. He is the Chairman of an important committee, and the White House listened to the views of those members of Congress, and, obviously, looked ahead to the election of 1972, and was thinking about the situation in the oil states, which were important swing political states.

JULES BERGMAN. Today, the powerful Senate Finance Committee is headed by Russell Long of Louisiana, strongly identified with oil interests in his own state.

BRIT HUME. You speak from some experience in the oil business, I believe. Do you and your family have some investments in oil?

Senator RUSSELL B. LONG. We do. Most of what I own at this time is just something I inherited which is royalties. We're not in the drilling and producing end of it.

BRIT HUME. Do you still have any holdings in the oil industry?

Senator RUSSELL B. LONG. Some royalty interests, yes.

JULES BERGMAN. Mr. Ikard, it's been said that oil has a vast political influence. Does oil wield a lot of political power?

FRANK N. IKARD. I don't think the "oil industry," in quotes, as such, has any great influence. In fact, at the moment I think the attitude is such that there's a great deal of punitive action being talked about. I think we're involved in this rather ridiculous exercise of trying to elect a scapegoat for this energy situation.

And I think there's enough blame to go around for everybody. And the oil industry is certainly, at the moment, probably has less political influence, in the sense that you're talking about than any large major segment of our economy.

JULES BERGMAN. But down through the years it's been charged that oil had strong influence in Congress and the White House and has gotten pretty much what it wanted in government policy.

FRANK N. IKARD. Well I know that argument's been made. I don't happen to agree with it. I was in Congress part of that time, and I think I know a little bit about how those things, the legislative matters were developed. I think the whole economic climate was different, I think you're talking about men that were great advocates and strong representatives of the viewpoint that was shared by their constituency.

JULES BERGMAN. Professor Robert Engler, political scientist and author of the book, "The Politics of Oil."

ROBERT ENGLER. The United States Department of Interior is completely honeycombed . . . is completely controlled in the critical areas . . . or has been by the oil industry and the coal industry. Supporting this fact has been the fact that there's a network of

advisory agencies. There may be 1,500 of them, at least, in the federal government; most of them not oil . . . but wherever oil and gas and related energy sources have a stake in a possible government action, you will discover federal personnel who either come out of the industry, as I said, or who find themselves undercut, essentially, by this network of advisory agencies. To be specific, in the Department of Interior there is a body called the National Petroleum Council, which is comprised of . . . about a hundred of the heads of major and some small oil companies, gas companies, trade associations. Their operations are advisory. If you do a study of almost any area of Department of Interior policy, you discover that their advice turns out to be policy, and that there is rarely either the independent staff . . . intelligence . . . or will to challenge this industry perspective.

JULES BERGMAN. A fundamental irony of the oil crisis is that while many blame the oil industry . . . the oil industry itself places the blame on Washington. At least for what has happened in the last few years.

The imposition of Federal price controls in 1971—the major oil companies contend—was a roadblock.

They said it removed their economic incentives to expand refineries and get more exploration started. Exxon president Clifton Garvin:

CLIFTON C. GARVIN. I feel that the oil industry has performed to explore for oil or to build new refineries commensurate with the economics. If they could see investing money, they would do so. And, if they could get a fair share of return for its investment for that for the shareholders, they did it.

JULES BERGMAN. Oil industry spokesmen cite mounting environmental pressures—after the Santa Barbara oil leak—as a major factor that stalled new offshore drilling and the construction of the Alaska pipeline.

Acknowledging that industry made mistakes, the American Petroleum Institute's Frank Ikard blames the wrong government decisions for domestic shortages.

FRANK N. IKARD. We have urged for a long time that there be more sales of offshore leases and that's all over the record, I mean. And, they did not come off and we, and, of course, I think this is well documented—our position on the Alaska pipeline, all the points that were made about the need of this oil in the lower 48—so we did, we did warn and talk a lot about it.

Dr. JOHN M. BLAIR. This argument, while it may have certain validity today and for very recent years, certainly doesn't apply to the failure, it doesn't excuse the oil industry for failure to expand capacity during the period of 1959 to 1967. It should be remembered that the oil, Santa Barbara oil spill did not occur until 1969. And what we're suffering from today is a failure on the part of the oil industry to build refining capacity during the preceding decade.

JULES BERGMAN. If industry blamed government for failure to approve new oil drilling and the Alaska pipeline, government blamed industry for failure to supply its real data on production and profits.

When John Ehrlichman, then Domestic Council Chief, took over Energy . . . he found himself unable to get true cost figures:

JOHN D. EHRLICHMAN. I never did feel that the industry was dealing with us in complete candor. Now, I don't know, I do know from my CIA information, for instance, that there's a lot of double-bookkeeping that goes on abroad, on the cost of oil. There, when you ask an oil company, what does this oil cost you—and they say X cents a barrel—you've got to go on and ask the next question . . . now is that your real cost or is that your stated cost?

CLIFTON C. GARVIN. Well, this is not true. There are, there's no question that in some countries there are books kept as he says for tax purposes, and then there are other books that are kept, if you will, for measuring the income statement lines, but these books are normally discussed and they're known by the IRS, they're known by responsible people in the government who ask for them.

JULES BERGMAN. So there were no secret books.

CLIFTON C. GARVIN. There are none to my knowledge.

JULES BERGMAN. What worries oil experts most is the lack of a coherent energy policy in Washington over the years. MIT's Professor Adelman.

Professor M. A. ADELMAN. I would say our government has no oil or energy policy of any kind. Various people in the government are trying to evolve one and I wish them luck.

WILLIAM E. SIMON. We have a very comprehensive energy policy, one that has been well-documented in several energy messages by our President.

It encompasses two main areas; One: the reduction of demand, and the other, the bringing on of additional supplies which will bring us the ability for self-sufficiency . . . Project Independence.

JULES BERGMAN. So it can be done?

WILLIAM E. SIMON. It not only can be done, it will be done. We are 85% self-sufficient in this country today, and not only can we achieve this ability for self-sufficiency, but I could see us becoming net exporters by the end of the next decade.

JULES BERGMAN. Historically, the oil companies always seem to have gotten pretty much their own way . . . import quotas, depletion allowances, foreign tax credits . . . that brought us to this point, somehow, of being short of domestic crude oil and short of refinery capacity . . . What guarantee is there we won't get into that dilemma again?

WILLIAM E. SIMON. What is going to make sure that we don't get in this fix? Well, the oil companies and the industry in general have responded to many economic disincentives, and our energy policy, many inactions and actions that were counterproductive over the last 20 years, have brought us to where we are today . . .

And the comprehensive energy policy that we have in place now, if followed, with government leadership, will lead us out of it.

JULES BERGMAN. But it was government policy that was wrong a decade or more ago?

WILLIAM E. SIMON. It was a combination of government actions as well as inactions. . . . There have been many charges both here in Washington and throughout this country, relative to the major oil companies' anti-competitive practice, and collusion, many things that they have reportedly done, and I think that the investigations that we'll go through—Congressional committees as well as the Federal Trade Commission this year, will be a very healthy thing—will bring out whatever evidence there is, that will corroborate, or once and for all, dispel, any of these suspicions. It is a very complex industry, one that invites suspicion and conspiratorial thinking on the part of many. And I welcome the opportunity to participate in these discussions as they ensue during the year.

JULES BERGMAN. We began this program by asking four basic questions.

The first—why is it that Federal policy, aimed at giving us a plentiful supply of oil—has resulted in scarce fuel and high prices? The answer, as we've seen: there were so many loopholes in those policies that the oil companies—to maximize short-term profits—by-passed the development of more costly domestic oil production and refining capacity.

The second question: Abundance or scarcity? Answer: there's a staggering amount of oil left in the world—an estimated one trillion, two hundred billion barrels . . . with up to 4 hundred billion barrels in the U.S. alone. The current shortage is temporary: the real problem is economic: as prices go up, so will the supply.

The third question: Why high profits yet high prices at the same time? The answer: U.S. policy encouraged major oil companies to develop highly profitable resources and markets overseas. The resulting decline in U.S. supply, aggravated by the Arab embargo, caused higher prices here and higher profits for the oil companies both here and abroad.

The fourth question: Why did we see a decline in domestic drilling, production and refinery capacity over the last decade? The answer: government policy—formulated with domestic politics in mind—failed to provide the critical incentives and guarantees required to force development of oil resources at home.

Oil is far too critical—as we discovered during the Arab embargo—for us to ever again let government policy get so out of control that the public's interest takes second place to private interest.

And if we haven't learned anything from all this, then we are in deep trouble. This is Jules Bergman. Good night.

HOW THE HARTKE TRADE BILL MIGHT HAVE AVERTED THE ENERGY CRISIS

Mr. HARTKE. Mr. President, 3 years ago, I stood before Congress and warned of the international trade and investment crisis which was then beginning to engulf us. At that time, I stated that disorders in our foreign trade—and I quote from my 1971 remarks, "would threaten the livelihood of most Americans and the status of this country as a world industrial leader."

Today, after two devaluations, the loss of thousands of domestic jobs, and blackmail in the international marketplace, we are in the very throes of that crisis. Its destructive effects continue unabated because we have failed to adopt a comprehensive course of assertive self-interest in world trade.

Unlike the Trade Reform Act (H.R. 10710), the Foreign Trade and Investment Act (S. 151) directly addresses the major irregularities and problems of international finance and their effect upon the American economy. Specific mechanisms are provided for plugging tax loopholes which provide an incentive to invest abroad, correcting our balance-of-payments deficits, assuring American jobs, and preserving our industrial base.

The administration's bill contains no provisions to remove tax breaks on overseas investment, to regulate the wholesale exodus of America's newest technology and production units, and to combat the rising prices in the United States caused by trade and investment problems. In short, the President's bill is obsolete and dysfunctional.

Unless we address ourselves to the real trade problems with a comprehensive trade bill, crises like the one we are experiencing in energy will continue and worsen. The Foreign Trade and Investment Act, which I first introduced in 1971 and then again in January of 1973, can avert future crises.

TAX LOOPHOLES, THE INTERNATIONAL OIL MONOPOLY AND THE U.S. DEPENDENCE ON ARAB OIL

The United States is now dependent upon the Arab world for its supplies of oil and gas because our present tax struc-

ture provided the economic incentive for gigantic U.S.-based multinational petroleum companies to go abroad rather than to produce more oil at home.

The single most direct tax loophole available to corporations which move abroad is the foreign tax credit. Our tax laws provide that foreign subsidiaries of the United States corporations may credit their foreign taxes paid against the foreign source income tax liability of the parent corporation.

The multinational oil companies earned $1,085,000,000 on mining and oil operations abroad in 1970, but because of their use of the foreign tax credit loophole, these firms paid not one penny in U.S. taxes on that income.

The Arabian American Oil Co—Aramco—a huge oil-producing consortium consisting of Exxon, Texaco, Mobil, Standard of California, and the Saudi Arabian Government, is the world's biggest petroleum producer and the world's largest moneymayer. But, they are very skimpy U.S. taxpayers. In 1973, the company had gross revenues of $8.7 billion and a net income or profits after taxes of $3.25 billion. How much did the U.S. Government get from them in taxes? No income tax, and a meager $2.7 million in payroll taxes.

Is Aramco an exception? By no means: One glance at this chart dispels that illusion:

U.S. TAXES PAID BY U.S. BASED MAJOR OIL COMPANIES IN 1972/1962-71

[In billions of dollars]

Company	Net income before taxes, 1972	Percent paid in U.S. taxes, 1972	Net income before taxes, 1962-71	Percent paid in U.S. taxes, 1962-71
Exxon	$3.700	6.5	$19.653	7.3
Texaco	1.376	1.7	8.702	2.6
Mobil	1.344	1.3	6.388	6.1
Gulf	1.009	1.2	7.856	4.7
SoCal	.941	2.05	5.186	2.7

Source: Senate Subcommittee on Multinational Corporations, Committee on Foreign Relations, U.S. Senate.

How has the foreign tax credit aided profitmaking? Here is an example of how three major international oil firms in 1970 significantly reduced its tax burden via the increasingly important mechanism of the foreign tax credit.

NET TAX BEFORE AND AFTER FOREIGN TAX CREDIT IN 3 MAJOR OIL COMPANIES IN 1970

[In millions]

Oil corporations	Total income	Net tax before FTC	Foreign tax credit	Net tax after FTC
A	$2,798	$168	$133	$35
B	2,651	231	213	18
C	2,135	114	101	13

Source: Philip Stern, "The Rape of the Taxpayer."

The operation of the foreign tax credit aids a privileged few multinational firms. For the solely domestic segment of the petroleum industry, this provision is a dead letter.

THE HARTKE SOLUTION

The termination of the foreign tax credit would put domestic production in a more competitive position with foreign development. And this is exactly what the Hartke trade package, if enacted in 1971, would have done—and if enacted in 1974, will do. The U.S. Geological Survey states that there are still 440 billion barrels of producible and undiscovered oil in the United States. This is enough to meet America's need well into the next century. The shift of the foreign tax credit to a deduction as proposed in my measure might well have provided the impetus to domestic production which, by this time, would have made us dependent on no one for oil.

The use of the foreign tax credit and deferral loopholes is not at all limited to oil producers overseas. They are readily available to large international manufacturing companies as well. My bill will plug both of these gaping loopholes. For example: Taxes on overseas profits of foreign subsidiaries would be taxes as soon as these profits are earned. There would be no tax deferral. As for tax credits, the Hartke approach would shift them to a deduction.

THE BALANCE OF PAYMENTS, IMPORTS AND AMERICAN JOBS

Between 1960 and 1971, the total volume of U.S. imports increased by 200 percent, while over the same period, the total volume of U.S. exports increased by only 120 percent. In 1971, the United States suffered a trade deficit of $2.2 billion—the first trade deficit since 1893. In 1972, the trade deficit increased to over $6 billion. The first 8 months of 1973 showed a trade deficit of $1.5 billion, however, the United States did show a small trade surplus for the total year of $1.7 billion.

But, much of this surplus in the trade account was due to the heavy exports of agricultural products and critical raw materials which caused severe shortages at home and brought on the rapid acceleration of inflation. Huge agricultural exports have meant hardship for the American consumer because of soaring prices and very little job creation as farming is a very low-labor content industry. Our trading policy and problems seem very similar to the developing nations'.

Our trade surplus is a mere aberration which will soon be wiped out by the increased price of oil imports. Walter Levy, a leading petroleum economist, has forecast a whopping $13 billion trade deficit in 1974 because of the increased prices of imported oil.

In the postwar years, the United States has been the only major country in the world whose share of world exports has decreased while its share of world imports has increased. In the space of a mere half-dozen years (1964 to 1970), the U.S. share of world exports fell by more than 11 percent while its share of imports rose by more than 17 percent.

Few American-made items can withstand the pressure. In the 1950's, only about 30 percent to 40 percent of the imports were comparable with U.S. products. Now, about three-quarters of the imports compete with U.S. items, according to the U.S. Department of Labor.

In a number of industries there has been an absolute loss of jobs—fewer workers today than a few years ago. In women's apparel alone, the number of workers declined absolutely by more than 40,000 between 1956 and 1971. In electronics, there was a loss of 109,000 jobs between 1966 and 1972, according to Labor Department figures. In shoe manufacture, jobs declined from 233,000 to about 200,000 in the past 5 years.

THE HARTKE SOLUTION

To meet these problems of future deficits in the balance of payments and job loss due to imports, I propose a system of quantitative import restrictions in which imports would continue to grow in concert with domestic production, preserving the 1965 to 1969 base period relationship.

Other countries make sure that their own markets are secure and protected. It is time we provided the same security for America. Listed below is a partial list of the quantitative restrictions perpetuated on foreign products by our trading partners. Take, for example, the case of Japan on page 3. They have an international tax of 150 to 220 percent on imported whisky. Compare this with the fact that the United States, in 1972, suffered a $723.4 million-dollar trade deficit in distilled alcohol alone. That amounts to 10.6 percent of the entire 6.8 billion U.S. trade deficit in 1972. In that year we exported a mere 4 million gallons of bourbon. What happens when a fifth reaches Japan. First, they put on the 35 percent GATT duty, then they add their landed costs—stevedoring, freight, insurance, and so forth. If this total exceeds $16 per bottle, they introduce another 220-percent duty. Below $16 they add a 150-percent tax. This brings the price of a fifth of American bourbon to $20. What has happened, in effect, is that the Japanese nontariff barriers have done to American spirits what Carry Nation with an ax and Bible could never have accomplished. This is not just an isolated example, but as you can see from this list, it is one of hundreds of nontariff barriers which discriminates against American products.

I ask unanimous consent that a list of quantitative restrictions on U.S. goods be printed in the RECORD.

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

QUANTITATIVE RESTRICTIONS ON UNITED STATES GOODS

ARGENTINA

Quantitative restrictions (QR): Imports of automotive products, wheeled tractors from 12 to 120 hp., crawler tractors from 12 to 85 hp. embargoed. Valuation and Taxes (V&T): Nearly all imports except raw materials and capital goods need prior deposits of 40% c.i.f., which is held without interest for 180 days: imported tractors do not enjoy investment tax credit of up to 60% of liability given to domestic makes; taxes of 1.5% on c.i.f. value of all imports (0.3% if item is duty free); 4% surcharge on ocean freight charges; consular fee of 1.5% f.o.b. value of import, payable to consulate within whose jurisdiction commercial invoices to be notarized are issued; special steel fund tax of 2–20 pesos per net kilo of iron and steel products; special tax of 4–10% of forest products' c.i.f. value. Executive can establish minimum values on which import duties are levied on various officially designated products; excise tax on various products, which is specific on some and ad valorem on others. Health, Sanitary and Safety Restrictions (HS&S): Pharma-

ceuticals, cosmetics subject to prior registration in Argentina.

AUSTRALIA

QR: Licenses required for some types of machinery, metals, vehicles, clothing. V&T: Sales tax levied on landed value of wide range of industrial and consumer items, as follows: household goods 2½%; general 15%, luxury 25% (tax base for imports is their duty-paid value inflated by 20%). Other Restrictions (OR): Screen-time quotas in New South Wales require 15% of all films shown to be British and 2% Australian; all packaged products subject to arbitrary weights and measures limitations (uniform system due in Nov.). Government Aids (GA): exports of many chemicals subsidized (Australia has not subscribed to GATT declaration banning such subsidies).

AUSTRIA

QR: License required for lignite, except bituminous coal; cinematographic film, exposed and developed, except for toy projectors; fish, plastic bags, detergents, shirts (not knitted), lumber, artificial sweeteners, toilet soap, batteries. Quotas restrict penicillin, thyrothrium, antibiotics and medicaments containing antibiotics; wine, except sparkling wines in bottles. V&T: Border taxes ranging from 6.25 to 13% on all imports. Variable Levies (VL): on sugar, starch, and products made of these and other agricultural raw materials, in lieu of customs duties, skimming charges—based on price differentials between threshold and gate prices and consisting of fixed protective element plus a variable levy—may be collected. Currently in force: 20% a.v. plus 549 Austrian schillings per 100 kg. on core binders used in foundry work on basis of starch and dextrine; 20% a.v. plus 525 schillings per 100 kg. on starch-ether soluble in water, and starch esters. Government Procurement (GP): For all products and services, article regulating government purchasing provides that "if circumstances permit, only Austrian products shall be used and Austrian firms shall be engaged." Regulations do not apply to nationalized industries. EFTA members have equal opportunity with domestic firms under Art. 14 of Stockholm Convention. Draft law covering government procurement which eliminates discrimination against foreign firms submitted to parliament; enactment likely. QR: Antidumping procedures on all imports. Government establishes "guiding" or "minimum" prices for products which cause market disruptions. At present, minimum prices in force for cotton yarn, cotton fabrics, woolen fabrics, cardigans and pullovers of wool. Although imports of salt and products containing salt are liberalized, must be approved by Administration of the Austrian Salt Monopoly. State monopoly has sole right to import, produce and sell raw and processed tobacco and products. Industrially-produced raw spirits must be sold to the monopoly.

BARBADOS

QR: Licenses required for fish, plastic bags, detergents, some pharmaceuticals, shirts (not knitted), lumber, artificial sweeteners, toilet soap, batteries. V&T: Autos, initial registration tax of 20% on c.i.f. value; rum, beer, gasoline, diesel fuel, excise taxes on c.i.f. duty-paid value; clothing (not knitted), minimum c.i.f. value for Customs purposes; all imports except those in following list, surtax of 20% of c.i.f. duty-paid value; polishes, grease, hardware, implements and tools (ex. agricultural), lubricating oil, cosmetics and perfume, photographic appliances and accessories (ex. films), typewritten and parts, turpentine, wood headings and furniture, motor spirit for use in road vehicles, tobacco, snuff, beer and alcoholic beverages, motor vehicles and parts, surtax of 10% of c.i.f. duty-paid value.

BELGIUM-LUXEMBOURG

QR: Anthracite and coking coal, under quota restriction, licenses required; on broad variety of products, licenses required but freely granted for U.S. goods. Changes may be forthcoming in quota system for coking coal because of short supply. V&T: Transmission tax or lump-sum tax levied on all imported goods, generally 7% but may vary on certain commodities from 1% to 15% (transmission tax scheduled to be replaced by value-added tax Jan. 1, 1971); road tax based on fiscal horsepower levied on autos. GP: Belgium: For all products and services, foreign bids may be rejected if "for economic reasons it is essential that the contract should go to Belgian industry, subject however to the price differential not exceeding certain limits." (Price differential reported to be 10% normally.) Luxembourg: Art. 19 (12/29/56) stipulates that "in principle, products of foreign origin shall not be used if producers in Benelux Customs Union are able to supply the same quality at prices which are substantially the same." (Products of Benelux origin believed given 10% margin of preference. License to trade, which foreign bidders must have, issued only to nationals of countries having reciprocal arrangements.)

BRAZIL

QR: Licenses, based on proof of purchase of like amount of domestic caustic soda, required for caustic soda. Autos and motorboats priced in country-of-origin at above $3,500 incl. accessories, embargoed. Prior authorization for petroleum products required (assures full utilization of domestic production and LAFTA sources of supply before third country imports are allowed). V&T: All products, port improvement tax 1% levied on c.i.f. value and merchant marine improvement tax of 10% of freight charges; wide variety of processed or manufactured goods, industrialized products tax of 4–30% on c.i.f. duty-paid value; many products, minimum valuation system. GP: On all goods purchased for public account, public entities must give preference to locally manufactured goods and cannot import "nonessential" goods. State trading monopoly for packaged lubricating oil, petroleum, rubber. OR: On motion picture films, exhibitors must show one Brazilian feature for eight non-Brazilian films.

BURMA

GP: On products purchased for public account, Government purchasing agencies often issue tender notices with short bid deadlines. Government is sole importer. V&T: Luxury goods taxed 18.75%; standard goods, 12.5%; privileged goods, 6.25%.

BURUNDI

QR: Licenses required for all imports. V&T: Statistical tax of 3% on all imports.

CAMEROON

QR: Licenses required for all imports. For licensing, all trade classified into 3 categories: Franc Zone (free of restrictions); Common Market countries (separate import quotas); all other countries (more restrictive global import quotas); licenses not ordinarily issued for commodities available from Franc Zone; exchange quotas for all imports. V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (discriminatory in that certain countries are exempt from customs duties); additional tax of 5–35% on many products; minimum valuation system for used clothing. GP: Government procurement practices on products purchased for public account. OR: Bilateral trade agreements on various products (such agreements generally provide licensing guarantees to specified amounts of goods).

CANADA

QR: Used aircraft prohibited with some exceptions; used autos and other vehicles, manufactured before calendar year in which imported, with some exceptions, prohibited. V&T: Arbitrary valuation and surtax on gasoline-type fuels for use in internal combustion engines other than aircraft (surtax is equal to difference between export price and an arbitrary value of 10.5 cents for regular and 12.5 cents for premiums per imperial gallon). HS&S: Safety regulations on electrical equipment. OR: Canadian provinces reluctant to carry U.S. liquor brands in Government-operated monopoly stores; canned foods imports permitted only if in cans of sizes established by Canadian Gov't.

CENTRAL AFRICAN REPUBLIC

QR: Licenses required and exchange quotas established for all imports (for licensing trade classified in 3 categories—see description under QR for Cameroon); quota set for used clothing; used shirts embargoed. V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries exempt from customs duties); additional tax of 5–15% on textiles, men's and used clothing, radios, autos, trucks, eyeglasses; arbitrary valuation on used clothing

CEYLON

QR: Numerous manufactured articles embargoed; items on Import Schedule 1—drugs, feed additives, agricultural hand tools and implements, fertilizers, petroleum products, surgical belts and hearing aids, artificial dentures, artificial eyes and limbs, scientific glassware—licensed under quotas at official rate of exchange of 5.59 Ceylon rupees to the dollar; items on Schedule 2 (long list) licensed under quotas and imported at depreciated exchange rate; some 350 other items (Sched. 3), mostly industrial raw materials, machinery, chemicals, on open general license but also imported at depreciated exchange rate; multiple exchange rate practices affect all imports except those in Sched. 1, through a certificate scheme (Foreign Exchange Entitlement Certificates). OR: Drugs and pharmaceutical preparations must conform to British Pharmacopoeia, Int'l Pharmacopoeia, or the British Pharmacopoeia Code; State trading monopoly for fish, cement, textiles, newsprint, paper and paperboard, petroleum products, caustic soda, other products.

CHAD

QR: Licenses required and exchange quotas established for all imports: for licensing, all trade classified into 3 categories (see description under QR for Cameroon). V&T: Revenue tax up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries exempt from customs duties); additional tax of 5–45% on selected items; arbitrary valuation on used clothing.

CHILE

QR: Importers required to register (license) all imports with Central Bank through authorized commercial bank; prior deposit of 15–50% of c.i.f. value on some imports (advanced deposit of varying rates required depending on essentiality of product; deposit returned after goods have cleared Customs, and may be used toward payment of customs duties; this requirement being phased out); prior deposit of 10,000% of c.i.f. value on a few imports, including office machinery and public service vehicles; embargo on luxury goods; special ad hoc quotas on numerous products for government procurement and certain preferred activities. V&T: Turnover tax of 8% on c.i.f. duty-paid value for variety of processed or manufactured goods; port improvement tax of 2% on c.i.f. value, and merchant marine improvement tax of 10% of freight charges on all imports.

CONGO (BRAZZAVILLE)

QR: Licenses required and exchange quotas established for most imports; for licensing, all trade is classified into 3 categories (see description under QR for Cameroon). V&T: Import revenue tax of up to 50% on all imports; turnover tax of 10% on c.i.f. duty-paid value on all dutiable imports (certain countries are exempt from customs duties); additional tax of 5–15% on selected items; arbitrary valuation on used clothing. OR: Office National du Commerce is sole buyer and seller of all merchandise destined for "northern regions."

CYPRUS

QR: Licenses, generally granted freely, required on certain chemicals and chemical products, textiles and textile products, manufactures of base metals, wood products, and most nonelectrical machinery; other items imported without restriction from any country other than communist countries of Asia, Albania, and those with which Cyprus has bilateral agreements.

DAHOMEY

QR: Licenses required for all imports originating outside Franc Zone; annual global import quota establish for all goods not originating in EEC or from Franc Zone; matches, alcohol, alcoholic beverages, diamonds embargoed. V&T: Discriminatory 3-column tariff provides for 3 categories of countries, each assigned duties at different rate.

DENMARK

QR: Licenses required on oysters (except spat); ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits of any strength; ethyl alcohol, undenatured, under 80°. V&T: Value-added tax of 12½% on c.i.f. duty-paid value on almost all manufactured goods; in addition, excise tax on c.i.f. value on autos and motorcycles. GP: On all products, discrimination favoring domestic procurement accomplished by administrative action. EFTA members have equal opportunity with domestic firms under Art. 14 of Stockholm Convention. HS&S: Senate testing organizations for electrical equipment in Denmark, Finland, Norway, Sweden each apply separate standards for electrical equipment and require individual testing in country prior to certifying imports.

DOMINICAN REPUBLIC

QR: Certain products subject to exchange quotas; passenger cars valued at more than $2,000 embargoed; wide range of food items and household goods, smaller number of manufactured goods embargoed; wide range importable only under prepaid letter of credit; prior import deposit of 10%, or 40% of f.o.b. value for smooth period on wide range of products.

EAST AFRICAN COMMUNITY

(See Kenya, Tanzania, Uganda.)

FINLAND

QR: Global quotas mineral tar, coal tar distillation products, solvent gasoline, aviation gasoline, bitumen, unwrought silver, gold, platinum; individual licenses required for coal, coke, petroleum and shale oils, gasoline, aviation and heating kerosene, gas-oil and fuel oils, processed foods. V&T: Turnover tax of 12.4% on almost all manufactured goods; in addition, on autos and motorcycles; excise tax of 140% (higher of higher priced cars) of c.i.f. duty-paid value minus 2,500 Finmarks ($595). Excise tax on c.i.f. duty-paid value of alcoholic beverages, confectionery, sugar, matches, auto tires, tobacco products, mineral waters, liquid fuels, certain fats and foods. OR: State trading in alcoholic beverages, crude petroleum, grains; for passenger cars from certain bilateral trading countries, minimum down-payment of 30% with 20 mo. to pay balance and, from other countries, 50% down payment with 12 mo. to pay remainder; compound fertilizers require Ministry of Agriculture permit. HS&S: See HS&S for Denmark.

FRANCE

QR: Quantitatve restrictions and/or licensing on crystal diodes and triodes including transistors and parts, aircraft and parts, wine rosin, certain textiles, semiconductors, canned tuna, pertoleum products, numerous other goods; quota restrictions on watches, parts, V&T: Annual use tax on passenger cars (standard U.S. cars fall in highest tax bracket liable to payment in first year of $200; European cars generally pay $30); border tax of up to 33% on c.i.f. duty-paid value of most industrial products; excise taxes on whiskey, other grain spirits. GP: Administrative practices not codified. French public sector operates effective "Buy French" policy; "absolute priority" given to procurement of domestic products "equivalent" to offered foreign product.

HS&S: Pharmaceutical regulations ostensibly protect public health, but also protect domestic industry; virtual embargo on imports of pharmaceutical specialties packaged for retail sale; severe restrictions on bulk mixtures that cannot be easily analyzed. With few exceptions, "visa"—required before distribution of pharmaceutical specialties packaged for retail sale is permitted—is not granted for imported products.

QR: State monopoly on cigarettes, other manufactured tobacco (following move toward CXT, retail prices of U.S. cigarettes have been increased proportionately more than on comparable domestic brands—contravening undertaking on pricing which U.S. obtained from France in 1947); State trading in coal, paper for periodicals, pertoleum products; tripartite accord on electronic equipment (France, W. Germany, U.K. have drawn up accord to facilitate mutual acceptability of quality certification with membership open to all EEC and EFTA countries; it could lead to discrimination against U.S. goods); prohibition on advertising whisky, other grain spirits (wines, fruit-distilled spirits may be advertised).

GABON

QR: Licensing and exchange quotas for all imports. For licensing, all trade is classified into 3 categories—Franc Zone and Common Market countries, free of restrictions: Far East, imports not to exceed 10% of total imports from all countries combined during a given year; all other countries, quotas established annually on basis of lists submitted by all important importers. V&T: Revenue tax up to 50% on all imports; turnover tax of 10%, on c.i.f. duty-paid value for all dutiable imports (certain countries exempt from customs duties); additional tax of 5–15% on c.i.f. duty-paid value for petroleum fuels, lubricants, firearms; arbitrary valuation on used clothing.

GERMANY, FEDERAL REPUBLIC

QR: Quotas on certain kinds of: fish, wines, fabrics, household articles, and other items; licenses for all those U.S. nonagricultural commodities in which the U.S. has a significant exporter interest are now being granted automatically and without limit. V&T: Value-added tax of 11% on c.i.f. duty-paid value of industrial imports. OR: Tariff quota on pit coal, briquettes of pit coal and similar solid fuels manufactured from coal except for bunkering of seagoing vessels, and for production of coke under processing contracts (use of imported hard coal throughout W. Germ. is now permitted if qualified consumers can show that they are unable to satisfy requirements by purchases from EEC countries); tripartite accord on electronic equipment (see description under OR for France).

GHANA

Licenses required for most imports. V&T: purchase tax of 5% to 100% on vehicles; sales tax of 11½% on c.i.f. duty-paid value for most imports; excise tax of 2½–75% a.v. on sales price which includes c.i.f. duty-paid value for selected luxury consumers goods. OR: Most imports must be handled on 180-day credit terms.

GREECE

QR: Licenses required on List A items—products such as cosmetics, textiles. TV receivers, vehicles; licenses required on List B items—such as agricultural, mining, food processing and electrical machinery and spares; used machinery and spares except used earthmoving and roadbuilding equipment; quota for TV receivers. V&T: Turnover tax on all imports of 2.25–8.75%, on c.i.f. duty paid value (rates are 25% more than those on like domestic products, and are applied on c.i.f. duty-paid value which has been uplifted by 20–50%); tax of 10–70% on c.i.f. value for luxury goods; consumption tax of 10–70% on specific rates, or on c.i.f. duty-and-tax-paid value for consumer goods; discriminatory license tax and discriminatory registration tax on motor vehicles.

GP: Principle of nondiscrimination is administratively limited (purchases in excess of $50,000 may be limited to Greek suppliers; no international bidding if purchases can be made from countries with which Greece has bilateral clearing arrangements; foreign firms may be required to bid in association with Greek firm; guarantees of participation, performance applicable to foreign bids may be waived for domestic firms; Law 3215/1955 grants preference of 8% to Greek goods). OR: Maximum permissible length for taxis, 5m., and maximum permissible hp., 20 (Greek hp.). State trading in cigarette paper, kerosene, alcohol, matches, salt, playing cards saccharine, petroleum products. Screen-time quota for motion-picture films. Limit on terms of credit, or advance cash deposit requirements, for all imports (requirement more severe for luxury items, less stringent for products considered essential).

GUYANA

QR: Licenses required on alcoholic beverages, cigars, cigarettes, tobacco, extracts, mineral fuels, lubricants, toys, certain chemicals, other items. V&T: Special tax, for protection of home industries, on imports of chairs, footwear parts.

HAITI

QR: Licenses required for various products, exchange controls on all products; prior authorization for detergents, plastic articles, firearms & ammunition, rubber heels and soles, cotton fabrics (imports allowed only if domestic production fails to meet local demand); Christmas trees, used clothing, rags, hats, shoes, household linens and furnishings embargoed. OR: State trading in tobacco, matches, soap, detergents, cosmetics, textiles, tires, tubes, cement, various agricultural chemicals, household appliances, wine, beer, whisky, rum, toilet articles, nonagricultural machinery. State-licensed, private monopoly: TV sets and parts, fish, building construction materials.

ICELAND

QR: Global quotas for electric transformers, building board, certain furniture, ladies' stockings, brooms and brushes, works of art, reconstituted wood, fishing lines and cords, ropes; licenses required for paperboard cartons and containers. V&T: Sales tax of 11% on c.i.f. duty-paid value for all products except footwear, aviation gasoline, packaging, fishing equipment, aircraft; special tax on gasoline, tubes, tires. Special foreign exchange fee of 0.5% of declared customs value for cement, timber, reinforcement iron for construction. Foreign exchange fee of 0.5% of import price as stipulated by license for products subject to import licensing. OR: Prior deposit on all imports except petroleum, fishing gear, fertilizers, industrial raw materials (deposit must be placed with

bank selling exchange equal to 15–25% of amount of foreign exchange purchased; deposit held for at least 3 months). State trading in tobacco, fertilizers, wine and liquor, perfumes, safety matches.

INDIA

QR: Licensing, exchange control, quota, embargo restrictions on all commercial imports. Special licensing terms for capital goods, heavy electrical plant, machine tools valued at $100,000 or more (such imports permitted if covered by long-term foreign loans or investments, private or governmental; also for maintenance and replacement and purposes requiring small cash payments. V&T: Licensing fees on all commercial imports; discriminatory excise tax on numerous products.

GP: On items purchased for public account, price preference of up to 40% accorded indigenous products. Administrative practices include issuing bid invitation on short deadline, failing to identify source of financing, restricting quotations or specs to British and Indian standards, renogtiating bids. OR: State trading in artificial silk yarn and thread, caustic soda, soda ash, newsprint, cement, fertilizer, petroleum products, mercury sulfur, tractors, printing and textile machinery, tires and other items determined from time to time; discrimination resulting from bilateral agreements on capital goods and other items; discriminatory import privileges on machine tools and on imports in general; restriction on appointment of foreign-controlled branches or subsidiaries.

INDONESIA

QR: Exchange controls on all products; embargo on batik-motif textiles, cigarettes, certain types of tires. V&T: Surcharge of 50–60% based on import duty for all except essential commodities; sales tax rates same for comparable imported and domestically produced goods except for semi-luxury textiles and tires; 1% tax on letters of credit for all products; ½% import tax, on c.i.f. duty-paid value, and ½% customs charge, on all products; excess profit levy of 15 rupiah or 250 rupiah per U.S. dollar value on import of a few items to which surcharges do not apply special retribution tax on most items on GATT schedules. OR: State trading for some essential items, prior deposit for all products.

IRELAND

QR: Licenses required for tobacco products; quotas set for superphosphates, certain hosiery and footwear, laminated springs for vehicles, spark plugs and metal components, certain bulbs, brushes, brooms, mops. V&T: Wholesale tax of 10% or 15%, or turnover tax of 2½% on c.i.f. duty-paid value for most imports.

ISRAEL

QR: Licensing under quota for a few imports (countries with which Israel has bilateral agreements are favored in issuing licenses for goods available from these sources). V&T: Purchase tax of 5% to over 100% on c.i.f. duty-paid value for many imports; discriminatory purchase taxes and annual property tax on autos; import surcharge on numerous products. OR: "Mixing" requirements on tractors (25–30% of value of imported wheeled tractors required to be Israeli-produced); prior deposit of 50% of value on all imports.

ITALY

QR: Quotas on tetraethyl lead, antiknock preparations, wine; licenses required for essential oils other than terpeneles, obtained from citrus, cork and products, certain vehicles. V&T: Turnover tax of 4% on c.i.f. duty-paid value on most imports; compensatory tax of 1.2-7.8% on c.i.f. duty-paid value for majority of imports; road tax on autos; administrative service fee (½%) and statistical fee (10 lira per unit) on all imports; excise tax on cigarettes. GP: 30% of Government purchasing reserved to Southern Italy and Islands for development. Ministry of Defense has recourse to foreign products only if domestic sources are unavailable or not suitable to needs. Gov. Depts. do not in principle have relations with foreign firms—only with firms legally established in Italy. OR: Screen-time quota on motion-picture films. State monopolies on cigarettes, nicotine products, salt, matches, flint, cigarette lighters.

IVORY COAST

QR: Quotas established for all imports; goods from France, Franc Zone countries enter freely (separate quotas apply to products from EEC countries and to rest of world); licenses required for all imports (from all countries outside Franc Zone, EEC); embargo on paint, detergents, matches, coffee-husking machines. V&T: Fiscal tax of 10-15% of c.i.f. value and statistical tax of 1% of c.i.f. value on all imports; value-added tax of 8-43%, normally 18% of duty-paid value, and special duty of 10% on c.i.f. value on most imports; arbitrary valuation for used clothing, footwear, petroleum products, soaps, radio receivers, other items. OR: Discriminatory pricing formula and visa requirements for pharmaceuticals.

JAMAICA

QR: Licenses required for many products, including asbestos cement pipes, earthenware pipes, metal structural forms, tiles, roofing materials, cement rubber products, metal furniture, aluminum holloware, garments, hosiery, detergents; embargo on autos with wheelbase of 116" or over, which prevents import of standardized U.S. cars.

JAPAN

QR: Quotas established for coal, gas oils, heavy fuel and raw oils, other petroleum oils, some chemicals and pharmaceuticals, leathers (excel. raw) and products, especially footwear, large turbines, office machinery incl. digital computers and parts, other products; automatic licensing (licenses freely granted but importer must submit imports for approval) for machinery, chemicals, drugs, processed foods, other products, license required for all imports. V&T: Internal tax of 150-220% on high-priced whiskies, brandies, auto (sales) tax of 15-40% and annual road tax of $100-$167 for large U.S.-sized cars, value uplift for customs purposes on a few imported goods, particularly parent/subsidiary transactions.

GP: On 14 categories of goods, including motor vehicles, electronic computers, aircraft, machine tools, agricultural and construction machinery, permission for procurement without open bidding granted by Cabinet Order 336 of Sept. 25, 1963. HS&S: Ban on foods containing unapproved food additives. OR: State trading for tobacco manufactures, alcohol of 90° strength or higher; on certain imports, weights must be indicated in metric measurements only; discriminatory credit restrictions on all imports; discriminatory treatment for premiums offered by importers and exporters of several products, such as air conditioners and instant curry; technical licensing requirement for heavy electrical equipment and possibly other products; restrictions on capital investment (many U.S. firms unable to establish facilities in Japan from which to direct sales, service operations because of such restrictions; *even obtaining minority interest in a Japanese corporation extremely difficult*).

KENYA

QR: Specific licenses required for many products, other imports enter under open general licenses; quotas on certain clothing. GP: Overseas procurement for Government handled through Crown Agents in London, giving British suppliers strong advantage. OR: State trading in dye-in-piece fabrics, khaki drill, colored fabrics, secondhand clothing, soap, detergents, salt, developed 35-mm. cinematographic films.

KOREA

QR: About 75 miscellaneous manufactured products embargoed. Quotas maintained on about 55 SITC classifications, including plastics, iron and steel structures, glass, manufactures of metal. All imports subject to licensing, but approval is automatic for most. V&T: Special Customs duty of 70% of "excess" profit on items normally dutiable at 40% or less, and 90% on those over 40% applied to most imports. Commodity tax of 2–70% of landed cost plus applicable duty levied on wide range of items. OR: Prior deposits of from 30–150% of import value required for most imports.

KUWAIT

QR: Embargoes in effect on alcoholic beverage, used trucks and buses, spiral weld steel pipe, medicines containing cobalt salts, industrial and medical oxygen gas, magnetizers, ethyl alcohol. Insecticides must be licensed. OR: Trade in asbestos pipe is run by a Government-sanctioned private monopoly.

MALAGASY REPUBLIC

QR: All imports subject to exchange quotas and licensing. Annual import program provides quotas for specified commodities from EEC countries other than France; global quotas for all other countries outside the Franc Zone. Special quotas apply to batteries for electric accumulators and alcoholic beverages. Prior authorization required for used metal casks and drums, used clothing, alcoholic beverages, used sacks and bags. New sacks and bags also embargoed, and partial embargo covers imports of cement into part of west coast. V&T: Import tax of 0–50% of c.i.f. value on most items. Consumption tax of 10–135% of c.i.f. duty-paid value on tobacco, footwear and alcoholic beverages. There is a charge of 300 francs per metric ton on cement. GP: Procurement practices are featured by short notification and administrative discrimination. OR: Beer container size is strictly regulated and beer with less than 4% alcohol is prohibited.

MALAWI

QR: Discriminatory licensing policy for some products does not require licenses from Sterling countries. GP: Overseas procurement handled through Crown Agents in London, giving British supplier strong advantage.

MALAYSIA

V&T: Surtax of 2% c.i.f. on most imports. Trucks and buses of non-Commonwealth origin pay 15% registration fee; Commonwealth suppliers pay none. GP: "Buy National" policy directs public agencies to pay up to 5% more for domestically-made goods. QR: as many as 100 items at any given time temporarily subject to specific licensing or quantitative restrictions. OR: Foreign-made films subject to screen-time quotas.

MALTA

QR: Embargoes machinery for producing stockings, refrigeration machinery, motor buses, water pumps, cement floor tiles, basketware of cane, willow or wicker, other items. Steel wool, certain items of men's and ladies' apparel and electrical wiring accessories subject to licensing.

MAURITANIA

QR: All goods imported freely from France and Franc Zone countries; special quotas for EEC, global quotas for rest of world. V&T: All imports subject to fiscal tax of 10–15% of c.i.f. value; Standard import tax of 20–30% of c.i.f. plus duty-paid value; turnover tax of 10–22% of c.i.f. value plus all other taxes; and statistical tax which is generally four CFA francs per unit. OR, State trading in percales and guinea cloth.

NETHERLANDS

QR: Various products subject to licensing; however, except for coal and coke, licenses automatically granted to U.S. products. V&T: Most imports pay a value-added tax with general rate of 12%; some necessities pay only 4%. Excise taxes on tobacco products, ethyl/propyl and isopropyl alcohol, beer, wine, petroleum products.

NEW ZEALAND

QR: 32% of value of imports subject to quotas or licensing. V&T: Sales tax on wide range of non-essential items: 20% for most; 30% for photo apparatus, watches, telescopes, stereoscopes, cigarette lighters; 40% for motor vehicles, motorcycles.

NICARAGUA

QR: Prior authorization required for cotton ginning plants and textile manufactures, industrial plants for pasteurizing milk, equipment to slaughter cattle and hogs, rubber tires and tubes. V&T: Most products subject to import surcharge of 30% of c.i.f. value.

NIGER

QR: Most products subject to exchange quotas and licensing from which Franc Zone countries are exempt; being removed gradually for EEC. No license issued if goods available in Franc Zone. Country and global quotas. Prior authorization on plastic articles, matches and soap. V&T: Taxes on c.i.f. value of all imports; fiscal, 10–15%; statistical, 1%; standard, 25% of c.i.f. duty-paid value (10% for industrial raw material and equipment); turnover, 10–22%. Arbitrary valuation on used clothing. Transaction tax of 10% (c.i.f.) on perfume, cotton, knitted goods, aluminum household utensils. Discriminatory excise taxes on cigarettes.

NIGERIA

QR: Many products subject to specific licensing. V&T: Surtax of 6.75% of amount of duty paid on all imports.

NORWAY

QR: Commercial vessels subject to licensing. V&T: Value-added tax of 20% c.i.f. duty-paid value on nearly all products (11% on capital goods for investment purposes); imports subject to traffic tax from which domestic goods moving in internal trade are exempted; progressive nature of automobile tax weighs more heavily on expensive models; trailers, buses, some motorcycles subject to 25% tax of c.i.f. duty-paid value plus traffic tax (35% for other motor vehicles). GP: Domestic and EFTA bidders get preference of 15% on all Government purchases. Monopoly control and price fixing on pharmaceutical products. OR: State trading in alcohol, medicines, fishing gear. Binding sole of all shoes must be made of single piece of natural leather, which precludes of artificial leathers such as "corfam." HS&S: Rigid technical standards for electrical items.

PAKISTAN

QR: Licenses required for private shipments of all but 14 items on Free List. Many products embargoed. U.S. autos virtually embargoed, as they must have landed cost of $2331 or less. V&T: Sales tax of 15% c.i.f. duty-paid value on most products, which are also charged a Defense tax of 25% of sales tax. Surcharge of 25% of customs duty on all except exempted machinery items. Equalization tax on landed cost of industrial raw materials and some other items from cheaper foreign sources is equal to difference between lowest- and highest-priced imports. OR: Remittance restrictions on motion picture films, and varying exchange rates apply to most other imports. State is sole importer of several metals, foods and artsilk yarns.

PERU

QR: Licenses required for all used machinery and new textile machinery. Indefinite embargo on many products, including footwear, radios, refrigerators, textiles and automobiles. V&T: Arbitrary customs valuation system. Statistical tax of 2% c.i.f. duty-paid value (3% c.i.f. if good is duty-exempt). All products arriving by sea must pay a maritime freight tax of 4% of ocean freight charges. Most products pay a surcharge of 10% of c.i.f. value. GP: Government agencies and institutions receiving government funds prohibited from importing goods produced domestically. OR: Prior authorization needed for pharmaceuticals, cosmetics, toilet articles, matches.

POLAND

State trading in all products; bilateral purchase agreements influence buying practices rather than price, quality, etc. Marketing practices restrict foreign firms' access to potential buyers.

PORTUGAL

QR: Global or bilateral quotas on about 50 items. Licenses required for all shipments valued at more than $87.50. Prior authorization needed for saccharine and foods containing saccharine. Used clothing is embargoed. V&T: Transaction tax of 7% (20% on luxuries) on 140% of c.i.f. duty-paid value of most products. Progressive sales tax on autos is particularly burdensome on higher-priced models. GP: Domestic and EFTA suppliers get preference on all purchases for public account.

RWANDA

QR: All products require licenses. V&T: Fiscal tax of 10–30% and statistical tax of 3% on c.i.f. value for most imports. Alcoholic beverages, petroleum, tobacco products subject to consumption tax.

SENEGAL

QR: Exchange quotas allocated to all countries outside Franc Zone; separate quotas for EEC. Certificates required for liberalized imports. Matches, some clothing and certain construction materials embargoed. V&T: Fiscal tax of 10–15% of c.i.f. value, turnover tax of 10–22% of c.i.f. plus all other taxes, statistical tax of four CFA francs apply to all imports. Most others also subject to standard tax of 20 or 30% of c.i.f. plus tariff plus fiscal duty plus statistical tax. Lubricants must pay 15.5–25.5 CFA francs per liter. HS&S: visa (which may be denied) required for pharmaceuticals: fee for visa application is high.

SIERRA LEONE

QR: A few products require specific licenses. V&T: automobile valuation based on engine size, which discriminates against high horsepower vehicles.

SOUTH AFRICA

QR: Most products require licenses; subject to sales tax of 5, 10 or 20%.

SOUTHERN RHODESIA

QR: Many luxury and domestically-produced goods require licenses or have quotas. Light and heavy built-up commercial vehicles embargoed.

SPAIN

QR: Import declaration required all liberalized goods. License (generally not granted) required for all used machinery and second quality goods. Motion pictures subject to screen-time quota. Global quotas in effect on about 58 categories. Others subject to bilateral import regime. V&T: Compensatory tax of form 3–15% on c.i.f. duty-paid value. Dubbing taxes on motion pictures (highest on U.S. films). Threatened "abnormal price" actions induce importers to pay prices which cancel out a low-cost producer's advantage. Import deposit of 20% c.i.f. on all products held for six months without interest (Decree in force through Dec. 1970). GP: Imports prohibited from projects involving government funds. Where Spanish products are unavailable, short bid deadlines often have effect of excluding foreign competitors. OR: State trading in certain types of coal, petroleum derivatives tobacco. Requirement that several synthetic fibers must be imported directly from factory discriminates against middle-man organizations, which must procure licenses.

SWEDEN

QR: Licenses required for all automobile imports. V&T: Value-added tax of 10 or 14% on c.i.f. duty-paid value of all imports. Sales tax is based on the c.i.f. duty-paid value of certain rugs, gold and silver items, precious stones. Certain furs subject to 2–10% tax on c.i.f. duty-paid value. Toilet articles and cosmetics pay a commodity tax of 50% of wholesale price. HS&S: Rigid technical standards for electrical equipment. OR: State trading in wines, spirits.

SWITZERLAND

QR: Licenses needed for trucks, cotton fabrics, jute textiles, clothing, certain carpets, and various minerals and chemicals. Quotas for wine in barrels. V&T: Road taxes and compulsory insurance rates based on horsepower. Turnover tax of 5.4% on c.i.f. duty-paid value of all products. OR: State trading in alcoholic beverages.

TANZANIA

QR: Specific licenses required for various products, other imports enter under open general license. OR: State trading for textiles, bicycles, motion-picture films, cement, matches.

TOGO

QR: Licenses for all products. V&T: Transaction tax of 18% of c.i.f. value plus all taxes. Statistical tax of 1% c.i.f. value. Warehouse tax of 1% c.i.f. value. Fiscal stamp tax of 3% of all duties and taxes. Special import tax of ten CFA francs per 100 kg. Luxury tax of 40 CFA francs on textiles, alcoholic beverages, perfumes. Tax of 125 CFA francs per ton of tobacco manufactures, jute goods. Lighthouse tax of 20 CFA francs per ton. Berthage tax of 125–510 CFA francs per kg.

TRINIDAD AND TOBAGO

QR: Domestically-produced items subject to strict import quota licensing, and in some cases prohibited. Soap, detergents, paper, cement, lead, air conditioners, cotton fabrics and furniture strictly controlled.

TUNISIA

QR: Global and bilateral quotas apply to most products. Licenses required for all goods from non-Franc Zone countries. Various goods are completely embargoed. V&T: Production tax of 15.5–19.9% on duty-paid value of all imports. Customs formality tax of 1.81% of landed cost of all items. Luxury goods pay consumption tax of 7.5–25% of duty-paid value and a National Defense Fund tax of 10% of either consumption tax or duty, whichever is higher. Perfume, soap, tires, petroleum products, explosives, other items subject to consumption duty of 11–100%. Wide variety of products subject to state trading.

TURKEY

QR: All products subject to licensing, with special consideration to items traded with bilateral agreement countries. Quotas on varied items. V&T: All goods imported by sea pay 5% port tax based on c.i.f. plus duty, surtax and customs clearance costs. All imports pay 15% surtax on customs duty, as well as stamp tax of 25% of c.i.f. value. Most pay discriminatory production tax ranging from 10–75% of c.i.f. value plus customs duty, customs surtax, port tax and customs clearing expenses. Foreign motion picture films pay a higher tax (41%) than domestic ones (25%). Automobile surtax varies according to weight and age. OR: Tobacco products, alcoholic beverages, salt, sugar, most agricultural equipment subject to static trading. 50% advance deposit required for goods on liberation list and quota list goods imported against letter of credit.

Guarantee deposits of 20, 50, 90, or 120%, depending on import list, required with import application. Smaller deposit (1–10%) on goods imported under certain investment programs.

UGANDA

QR: Specific licensing required for many products: other imports enter under open general license; quotas established for motor cars, station wagons, motorcycles; embargo on used clothing. GP: Overseas procurement for Government handled through Crown Agents in London, giving British suppliers strong advantage.

UNITED ARAB REPUBLIC (EGYPT)

QR: Import trade nationalized. About half of all tariff items embargoed. Exchange allocations imposed to meet commitments under bilateral agreements. V&T: Statistical tax of 1% c.i.f. value on all imports except wheat. Revenue tax of 10% on foreign-made non-essential goods, with 5% tax on essential food items. Pavement tax of 3% of sum of customs duty, statistical tax, revenue tax and applicable excise taxes applies to all imports. Porterage fee, also. All goods imported through UAR ports pay marine duty of 0.2% of c.i.f. value. Excise duties apply to variety of items, mostly consumer goods.

UNITED KINGDOM

QR: License required for coal, coke, and solid fuels, but none are issued. Quotas on cigars, jute cloth, rum, motion picture and TV films. GP: While no procedures have been published, purchasing departments when intending to place orders abroad try to find out whether the products can be obtained on competitive terms within the Commonwealth. Some administrative measure of preference is given to firms in development districts. Preference is also specifically given to computers of U.K. manufacture. EFTA members have equal opportunity with domestic firms under Article 14 of the Stockholm Convention. British Admiralty requires that lumber for which tenders are invited must originate in British Columbia. OR: Tripartite accord on electronic equipment (see description under OR for France).

UPPER VOLTA

QR. License required for all goods outside Franc Zone. EEC goods get preferential treatment. Used clothing embargoed. V&T: All imports subject to 5–20% fiscal tax; temporary development tax of 10% of c.i.f.; statistical tax of 1% c.i.f.; contractual tax of 2.25–25%; temporary maintenance tax of 1.5%; compensatory tax of 3%. OR: Medicaments not appearing in French Codex or authorized by Central Pharmaceutical Service prohibited.

URUGUAY

QR: Prior deposits of from 150–400% on private imports exceeding a given percent (averaging 80%) of past levels. Three-year financing required for most capital goods. V&T: Non-essential goods subject to surcharges of 10–300%; global customs charge of 18%. All imports pay: a port handling fee of $.025 per 100 kilograms of gross weight or $.33 per 100 pesos of valuation; consular invoice charge of 12% f.o.b. value; port charge of 12% c.i.f.; arbitrary customs valuation established for 80% of tariff items.

YUGOSLAVIA

QR: All imports subject either to commodity or exchange quotas, licensing, or exchange control. OR: Commitments to buy from certain supplying countries. End-users of raw materials and semimanufactures used in the shipbuilding, electric, textile and food industries given foreign exchange for import of these products in fixed ratio to exports.

RUNAWAY MULTINATIONAL FIRMS

Mr. HARTKE. In industry after industry, plants have folded up in the United States as multinational corporations simultaneously opened plants in other countries.

In the electronic trade, for instance, the Standard Kolman Co. closed its plant in Oshkosh, Wis., with 1,000 employees, and shifted the jobs to Mexico in 1970.

Emerson closed a plant of several thousand employees and set up shop in Taiwan. Bendix deserted 600 employees in York, Pa., and Long Island, N.Y., to open a plant in Mexico. Warwick Electronics transferred 1,600 jobs from Zion, Ill., to Mexico and Japan. General Instrument recently closed down two plants in New England although it employes 12,000 Taiwanese to make television parts. RCA transferred an operation from Cincinnati to Belgium and Taiwan displacing 3,000 workers.

Two thousand machinists lost their jobs in the General Electric plant at Utica, N.Y., between 1966 and 1972 as the company phased this operation out of the United States and into its subsidiary in Singapore where labor works for 18 cents an hour.

In 1971, International Silver exported more than 1,000 steelworkers' jobs from their plant in Meriden-Wallingford, Conn., to Taiwan. The stainless steel flatware formerly made in Connecticut is now imported from International Silver's affiliate in Nationalist China.

THE HARTKE SOLUTION

As long as America's tax policy makes it more profitable to invest abroad than at home, plants will continue to move overseas and the foreign export market will be increasingly supplied from foreign based plants instead of from domestic-based industry. The Hartke trade proposals provide dramatic new tools for meeting this challenge. Tax advantages for investing abroad would be removed so that domestic investment would be on an equal economic footing.

THE EXPORT OF AMERICAN TECHNOLOGY

Although most countries strictly regulate and protect their own technology, America has left this matter largely to the discretion of private business. According to the U.S. Tariff Commission's study of multinational firms, these supercompanies dominate the development of new domestic technology. The exports of this technology from multinational corporations outweigh imports by a factor of more than 10 to 1. These industries have been prominent generators of high technology exports from the United States.

One example of this practice is McDonnell Douglas' sale of the Thor-Delta launch system to the Japanese. The sophisticated technology which went into the construction of this system cost the American taxpayers millions of dollars in research and development funds.

THE HARTKE SOLUTION

Under present law, U.S. corporations are relieved of paying taxes on any income arising from the firm's transfer of a patent or similar right to foreign companies. This encourages U.S. firms to export their technology. The Hartke approach would repeal the tax-free treatment for U.S. companies' incomes from licensing and transferring patents to foreign companies.

CONCLUSION

We cannot ignore nor fail to correct the growing power of these giant multinational concerns. They feel no allegiance to any national entity. They support no government on ideological grounds. They have no qualms about investing in democratic or totalitarian, capitalistic or socialistic, civilian or military governments, as long as their profit goals can be realized.

Let me conclude with a reference to public opinion. Sentiment against multinationals runs so high, that the public—by a margin of almost two to one—currently thinks that the Federal Government should discourage, rather than encourage, the international expansion of U.S. companies. Many more simply do not buy the idea that corporate growth abroad has increased employment at home. Seven Americans out of ten are convinced that the main reason U.S. firms go abroad is "to take advantage of cheap foreign labor and that costs jobs here."

Here are the results of a nationwide public opinion survey conducted by the Opinion Research Corp. for businessmen. Forty-two percent of total public opinion is strongly opposed to expansion of U.S. companies abroad. Even a majority of the managers are opposed to expansion—37 percent opposed, against only 30 percent in favor of expansion. Perhaps most surprising are the results when broken down by party preference. Even the majority of Republican voters are on my side in this controversy. Republicans strongly oppose expansion—40 percent opposed to 30 percent in favor of expansion.

The Foreign Trade and Investment Act of 1973 is designed to put our industry on an even footing with foreign competition and make domestic investment just as attractive as investment abroad. By controlling predatory trade practices and regulating the American based transnational firm, the Hartke approach to trade policy will put America back on the path to a world of free and fair trade.

I ask unanimous consent that the public opinion survey be printed in the RECORD.

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

OVERALL, THE PUBLIC FAVORS CURTAILMENT OF U.S. COMPANIES' EXPANSION ABROAD BY ALMOST A TWO-TO-ONE MARGIN

"In your opinion, do you think the federal government should encourage the expansion of U.S. companies abroad, or discourage their expansion?"

(In percent)

	Encourage	Discourage
Total Public	22	42
By occupation:		
Blue-collar	22	42
Clerical, sales	26	47
Professional, managerial	30	37
By party preference:		
Democrat	16	43
Independent	25	42
Republican	30	40

"Take no action," "No opinion" omitted.

Source: Opinion Research Corp.

McGraw Hill.

DEATH OF MRS. ROBERT MELVIN HITT, SR.

Mr. THURMOND. Mr. President, a gracious lady of South Carolina, Mrs. Weinona Strom Hitt of Bamberg, died March 8. She was the wife and mother of eminent newspaper editors in South Carolina and established a distinguished journalistic record of her own.

Her death at age 82 has left a deep void in the lives of the wide circle of family, friends, and associates who have mourned her passing. She and her husband, Robert Melvin Hitt, Sr., personified the profession of journalism in Bamberg for a half century. He served as editor of the Bamberg Herald from 1914 until 1950 when the newspaper was sold, then continued to serve as editorial writer until his death in 1963. Throughout all of these years Mrs. Hitt was a vital part of the newspaper in her community, continuing to write her column until the month before her death.

The tradition of excellence in journalism was well founded in their family. Their son, Robert M. Hitt, Jr., served as a distinguished editor of the Charleston Evening Post in Charleston, S.C., before his death 6 years ago. A grandson, R. M. Hitt III, now serves on the staff of the News and Courier of Charleston, S.C.

Mr. President, this outstanding lady has served her community in so many ways. She was a devout member of her church where she applied her service to her faith for many years. She was the first librarian of Bamberg and always worked in the interest of those around her. Mrs. Hitt was a much beloved person who is already greatly missed by those whose lives she touched.

I was privileged to attend the funeral and I was deeply touched by the sentiment and sadness expressed by the large crowd present.

The outpouring of sympathy and tribute following her death has meant much to her family. Surviving are two daughters, Mrs. T. B. Thrailkill of Bamberg and Mrs. Charles Stuckey of Charlotte, N.C., a sister, Mrs. C. W. Rentz, Jr., of Bamberg; a brother, James E. Strom of Silver Spring, Md.; 10 grandchildren and 7 great-grandchildren.

Mr. President, at the time of Mrs. Hitt's death, a number of newspaper articles, editorials, and tributes were published around the State. I ask unanimous consent that several of these newspaper accounts, as well as the funeral prayer and the funeral service remarks be printed in the RECORD at the conclusion of my remarks. They are as follows: "Mrs. Robert M. Hitt Dies in Bamberg," the State, Columbia, S.C., March 9, 1974; "Mrs. Robert M. Hitt Dies at Bamberg," the News and Courier, Charleston, S.C., March 9, 1974; "Mrs. R. M. Hitt, Bamberg Leader, Dies; Rites Set," the Augusta Chronicle, Augusta, Ga., March 9, 1974; "Mrs. R. M. Hitt Passes," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; "Mrs. R. M. Hitt," Charleston Evening Post, Charleston, S.C., March 14, 1974; "Weinona Strom Hitt," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; "Tributes to Mrs. Hitt," the Advertizer-Herald, Bamberg, S.C., March 14, 1974; A prayer tribute to Mrs. R. M. Hitt by Rev. C. Eugene Jones; and the funeral service for Mrs. R. M. Hitt by Dr James P. Carroll.

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

[From the Columbia (S.C.) State, Mar. 9, 1974]

MRS. ROBERT M. HITT DIES IN BAMBERG

BAMBERG.—Mrs. Weinona Strom Hitt, 82, widow and mother of newspaper editors and a journalist in her own right, died Friday in Bamberg County Memorial Hospital after a long illness.

Born in Edgefield County, she was a daughter of the late Charles and Martha Bell Strom. She was a graduate of South Carolina Coeducational Institute in Edgefield.

Before her marriage she taught school and piano in Edgefield County.

Mrs. Hitt was married to the late Robert Melvin Hitt Sr., editor of the Bamberg Herald from 1914 until 1950, and editorial writer until his death in 1963. Mrs. Hitt worked with her husband on the Herald during these years. She remained with the Bamberg Herald after her husband's death, until the newspaper was sold to Carl Kilgus, editor of the Advertizer in December, 1972. At this time the two newspapers became the Advertizer-Herald, and Mrs. Hitt remained on the staff until three weeks before her death.

Mrs. Hitt was the mother of the late R. M. "Red" Hitt Jr., editor of The Charleston Evening Post from 1953 until 1968.

She was a member of First Baptist Church, a teacher in its Primary Department for 50 years and president of the Women's Missionary Union for many years.

Mrs. Hitt was also a member of the Friday Afternoon Book Club and was Bamberg's first librarian. She held an honorary life membership in the Apollo Music Club. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as colonel on the Governor's Staff.

Surviving are two daughters, Mrs. T. B. (Dorothy) Thrailkill of Bamberg and Mrs. Charles (Caroline) Stuckey of Charlotte; a sister, Mrs. C. W. Rentz Jr. of Bamberg; a brother, James E. Strom of Silver Springs, Md.; 10 grandchildren; and 7 great-grandchildren. A grandson, Robert Melvin Hitt III, was formerly with The State.

Services will be 3 p.m. today in First Baptist Church, with burial in South End Cemetery.

Cooner Funeral Home is in charge.

[From the Charleston (S.C.) News and Courier, Mar. 9, 1974]

MRS. ROBERT M. HITT DIES AT BAMBERG

BAMBERG.—Mrs. Weinona Strom Hitt, 83, widow of R. M. Hitt, editor and publisher of the Bamberg Herald for some 40 years, and mother of the late Robert M. Hitt, Jr., editor of the Charleston Evening Post, died here Friday.

The funeral will be 3 p.m. Saturday at the First Baptist Church. Bureau will be in Southend Cemetery, directed by Cooner Funeral Home.

Mrs. Hitt was born May 21, 1890, in Edgefield County, a daughter of the late Charles Strom and Mrs. Martha Bell Strom. She graduated from South Carolina Co-Educational Institute in Edgefield and taught school and piano in Edgefield County. She later worked with her husband on the Bamberg Herald.

She remained with the Bamberg Herald after her husband's death until the newspaper was sold to The Advertizer in 1972. At that time the two newspapers became the Advertizer-Herald and Mrs. Hitt remained on the staff until three weeks prior to her death.

Mrs. Hitt was a member of the First Baptist Church, where she taught in the primary department for 50 years. She served as the first librarian in the Town of Bamberg. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as a colonel on the governnor's staff.

Survivors include: two daughters, Mrs. T. B. Thraikill of Bamberg and Mrs. Charles Stuckey of Charlotte, N.C.; a sister, Mrs. C. W. Rentz Jr. of Bamberg; a brother, James E. Strom of Silver Spring, Md.; ten grandchildren and seven great-grandchildren.

[From the Augusta (Ga.) Augusta Chronicle, Mar. 9, 1974]

MRS. R. M. HITT, BAMBERG LEADER, DIES; RITES SET

BAMBERG, S.C.—Mrs. R. M. Weinona (Strom) Hitt, Sr., 82, of Bamberg, died Friday in the Bamberg County Memorial Hospital.

Funeral services will be held at 3 p.m. today in the First Baptist Church, with the Rev. Dr. James P. Carroll officiating, assisted by the Rev. Eugene Jones. Burial will be in the Southend Cemetery.

Mrs. Hitt was married to the late R. M. Hitt Sr., who was editor of the Bamberg Herald from 1914 until 1950, and editorial writer until his death in 1963.

Mrs. Hitt worked with her husband and remained with the Bamberg Herald after his death until the newspaper was sold in December, 1972 and Mrs. Hitt remained on the staff of the Advertiser-Herald until three weeks prior to her death.

She was a member of the First Baptist Church, where she served as a teacher in the primary department for 50 years, and as president of the Women's Missionary Society. She was a member of the Friday Afternoon Book Club, and served as the first librarian for the town of Bamberg. She held an honorary life membership in the Apollo Music Club. Former Gov. Strom Thurmond appointed Mrs. Hitt the first woman to serve as colonel on the governor's staff.

Survivors include two daughters, Mrs. T. B. Thrailkill, Bamberg, and Mrs. Charles Stuckey, Charlotte, N.C.; one sister, Mrs. C. W. Rentz Jr., Bamberg; and one brother, James E. Strom, Silver Spring, Md.

Cooner Funeral Home is in charge.

[From the Bamberg (S.C.) Advertizer-Herald, Mar. 14, 1974]

MRS. R. M. HITT PASSES

Mrs. Weinona Strom Hitt, 82, of Bamberg, widow of the late R. M. Hitt, Sr., died early Friday morning in the Bamberg County Memorial Hospital, following an illness of several months.

Funeral services were held Saturday at 3 p.m. in the First Baptist Church, with the Rev. Dr. James P. Carroll, her pastor, officiating, assisted by the Rev. Eugene Jones. Burial followed in South End Cemetery, conducted by Coner Funeral Home.

Mrs. Hitt was born May 21, 1891, in Edgefield County, the daughter of the late Martha Bell and Charles Strom. She graduated from South Carolina Co-educational Institute in Edgefield, and taught school and piano in Edgefield County before marriage.

She was married to the late Robert Melvin Hitt, Sr., who was Editor of the Bamberg Herald from 1914 until 1950, when the newspaper was acquired by Lewis Brabham and P. E. Brabham. Mr. Hitt remained on the staff as editorial writer until his death in 1963. Mrs. Hitt worked faithfully with her husband during these years, a journalist in her own right. In 1958, Lewis Brabham sold his interest in the Herald to Mr. and Mrs. P. E. Brabham and in 1969, the Brabhams sold the newspaper to the Times and Democrat in Orangeburg, and Mrs. Hitt remained on the staff during both ownerships. In De-

cember 1972, the Bamberg Herald was sold to Carl Kilgus, Editor of the Advertiser, and the two county newspapers became known as The Advertiser-Herald. Mrs. Hitt continued to write for the newly named newspaper and her columns were read with much interest until three weeks prior to her death, when she became incapacitated.

She was a member of the First Baptist Church having served in many capacities. She was a teacher in the Primary Department for 50 years and served as President of the Woman's Missionary Society for many years.

She was a member of the Friday Afternoon Book Club and served as the first Librarian in Bamberg. She held an Honorary Life Membership in the Apollo Music Club. Former Governor Strom Thurmond appointed Mrs. Hitt the first woman to serve as Colonel on the Governor's Staff.

Her son, R. M. ("Red") Hitt, Jr., who was editor of the Charleston Evening Post, died six years ago.

Her grandson, R. M. Hitt, III, is now on the staff of the News and Courier in Charleston.

Survivors include two daughters: Mrs. T. B. Thrailkill (Dorothy) of Bamberg; and Mrs. Charles Stuckey (Carolyn) of Charlotte, N.C.; one sister, Mrs. C. W. Rentz, Jr., of Bamberg; and a brother, James E. Strom, of Silver Spring, Maryland. Also surviving are 10 grandchildren and 7 great grandchildren.

Active pallbearers were W. C. Huiet, W. R. Risher, J. T. Burch, Frank Fletcher Burch, Carl Kilgus and Pedie Hiers.

Honorary pallbearers were Dr. M. C. Watson, Dr. F. M. Dwight, Randolph Smoak, Sr., P. E. Brabham, G. B. Inabinet, Cecil Smoak, John D. Jones, H. N. Folk, Sr., Wistar Hartzog, N. F. Kirkland, Francis Morris, Clarence Brabham, D. F. Bradley, Carl Bishop, M. G. Gault, J. L. Strickland, H. D. Steedly, Wheeler Dukes, R. L. Coker, Norman Kirkland, Monroe Hiers, Herman Rice, Chadles F. Black, Henry Crider, Gene Schwarting, Sr., Virgil Hicks, Ben Clary, Ed Davis, J. M. Grimes, J. W. Hand, Sr., J. L. Hightower, J. R. Bradley, Sam Black, John Patton, and Laurie Smoak.

Out of town relatives and friends attending were: Dr. and Mrs. C. L. Stuckey, Charlotte, N.C.; Bob Stuckey, Charlotte, N.C.; Jane Stuckey, Louis Raynor, Charlotte, N.C.; Mr. and Mrs. E. H. Cannon and sons, Charlotte, N.C.; Thomas Thrailkill, Columbia; James E. Storm, Silver Spring, Md.; Mrs. R. M. Hitt, Jr., Charleston; Mr. and Mrs. R. M. Hitt III, Charleston; Mr. and Mrs. Gardner Miller, Charleston; Mr. and Mrs. Edward Moore, Chester; Mrs. R. C. Strom, McCormick; Mr. and Mrs. Harold Winn, McCormick; Mrs. Mary Riviere, McCormick; Mr. and Mrs. Luther Rentz, Greenwood, S.C.; Lee Strom, Ninety Six, S.C.; Sen. Strom Thurmond, Washington, D.C.; Mr. and Mrs. Tom Eady, Kelly and Suzanne, Columbia; Mrs. Caroline Flemming, Columbia; Bill Flemming, Kay, Louanne, Columbia; Mrs. Wilson Rentz, Columbia; Mr. and Mrs. A. J. Thrailkill, Fort Lawn; Mr. and Mrs. J. W. Outz, Susan, Fort Lawn; Mrs. Frances Fulmer, Columbia, Fort Lawn; Miss Ola Hitt, Aiken; Mr. Wayne Hitt, Morganton, N.C.; Mrs. Tom Overton, Charlotte, N.C.; Albert Ellison, Aiken; Mrs. Arthur Dodd, Atlanta, Ga.; Mrs. Marget Burch, Columbia; Mr. and Mrs. Ellison Capers, Columbia; Mrs. Nixie ree and Beth, Columbia; Mrs. Vernice Hinson, Columbia; Mr. and Mrs. Henry Stuckey, Malcolm, Orangeburg; Mrs. Juliette Carter, Lake City; Mr. and Mrs. Spier Daughtry, Savannah, Ga.; Mrs. Bernard Rushing, Nancy, Savannah, Ga.

[From the Charleston Evening Post, Mar. 14, 1974]

MRS. R. M. HITT

Wife and mother of newspaper editors, Mrs. Weinona Strom Hitt of Bamberg was a journalist herself. For many years she helped her husband, the late R. M. Hitt, put out the Bamberg Herald, a weekly newspaper. Her son, the late R. M. Hit, Jr., became editor of the Evening Post and was an able and popular citizen of Charleston. A grandson, R. M. Hitt III and a grandson-in-law, Gardner Miller, are now on the staff of The News and Courier.

A former school teacher and teacher of piano, and a Sunday school teacher for 50 years, Mrs. Hitt was a member of the Strom family of Edgefield County and a cousin of Sen. Strom Thurmond. Her death at age 82 has ended the life of an admirable woman.

[From the Bamberg (S.C.) Advertiser-Herald, Mar. 14, 1974]

WEINONA STROM HITT

When Mrs. Robert Melvin Hitt, Sr. was laid to rest Saturday afternoon, beside her husband, a vital chapter in the history of this newspaper, was closed. Closed because no one could ever replace, or even equal, her ability to relate to hundreds of readers, each week, the important events of the area. Her writings have created pages and pages of history, that will be cherished for many, many years. Her brilliant mind contained a prodigious supply of knowledge, all indexed away until it was needed. Now, she has laid down her life's work and gone to live in a better place—a place she looked forward to seeing.

One of our fondest memories of this beloved soul was her determination to do her job well, even when the pain in her physical body was so great. She had an inspiring, divine influence on those of us who worked with her near the end; and long ago, she molded around her, a pattern of honesty and kindness that has become embedded into those of us who worked years ago under her supervision and later, at her side.

Her work in the church was an important part of her daily routine. She taught in the Primary Department for half a century; she was President of the Women's Missionary Society for many years; and she served on numerous church committees. She instilled in her children, at an early age, how important the Church was, and at her bedside those last few day, this was the part of their lives they reminisced most about.

Her dedication to her husband was surpassed only by her dedication to her Lord, and she worked by his side all those long, hard years, when it was such a struggle to make ends meet. She was a loving wife and true friend to her journalist husband. Together they preserved history. When the Advertizer acquired the Bamberg Herald in 1972, and the idea of a name change was discussed, we wanted to preserve for her the "Herald" name, in exchange for the love and influence she had on us here at the Advertizer, so the name "Advertizer-Herald" was created.

Her long suffering has ended and she must be having a glorious reunion in Heaven. We loved her dearly.

[From the Bamberg (S.C.) Advertizer-Herald, Mar. 14, 1974]

TRIBUTES TO MRS. HITT

Bamberg County has lost one of its most beloved residents in the passing of Mrs. Robert Melvin (Weinona Strom) Hitt on Friday, March 8, 1974 after a serious and lingering illness while a patient in the Bamberg County Memorial Hospital when God in his infinite wisdom saw fit to take her to her Heavenly Home. Although not physically well for considerable time, she continued cheerful and interested in others.

For many years, she was associated with her late husband in gathering local news for The Bamberg Herald. Especially was she gifted in handling every minute detail of bridal events, births, deaths, "FOLKS AND THINGS", as well as day to day events.

Her usage and flow of eloquent language have caused folks in many towns and areas to anticipate each week reading the "News from Home."

Always modest and never seeking self glory, she filled a place in this community with grace and dignity.

She was an understanding wife, devoted mother, and loyal friend, who loved her church and as long as health permitted was active in every phase of Christian service.

She continued her news gathering for The Herald during the ownership of the Brabham Family, and later with the Advertizer-Herald of Carl and Betty Kilgus, not wishing to omit anything of interest that she knew about. Even on her deathbed she was interested in people and what they were doing and contributed her news column up until the very end.

Mrs. Hitt will surely leave a void in the daily lives of many who loved her and called her FRIEND.

We thank God for her life.—K. F. B.

TRIBUTE TO MRS. HITT

I wonder if I can possibly do justice to the person I'm attempting to write about. I speak of Mrs. R. M. (Weinona) Hitt. As for that, could anybody do her justice? I'm on the verge of following in the footsteps of a colored friend to the family when he asked the family if they wanted him to sweep the yard as usual, and as he swept the tears were running out of his eyes.

I guess my feeble efforts could be called a requiem. The Dictionary says a requiem can be a High Mass in the Catholic Church, or as I think of it, it can be a hymn in honor of the dead. Mrs. Hitt lived a Christian life. I KNOW. Back in the days when my wife taught school at rural Woodlawn she boarded with her mother on Carlisle Street in Bamberg, just a few steps from the Hitt's home. When I came in off the road, there I parked, too. That was my first acquaintance with Mr. and Mrs. Hitt, but as the years passed, that acquaintance thickened to at least a one way street in a deep friendship. Mrs. Hitt spent most of her life in the newspaper business. I spent most of mine both in the newspaper (Charlotte Evening News) and Magazines such as Colliers, Saturday Evening Post, Look, Farm Journal and Readers Digest. Many nights we kept the phone busy, talking about past history. Often she would call me. More often probably I would call her.

Mrs. Hitt, it seemed to me, began to fail in health after she had lost both her rather illustrious son, we called him "Red"—(Melvin) who was Editor of the Charleston Evening Post, and also lost her husband. She was then alone at home, except for Dorothy who lived nearby, and I'm sure very lonesome. But in bygone years, when she was raising her children I'm pretty sure there was nobody on Carlisle Street that was lonesome. "Red" was a preacher. Yes, that's right. Everything movable was buried on that block and "Red" always conducted the funeral. He had a nice, cooperative audience, too. There was my son, Wesley, Charles Henry Hutto, Govan Hutto, Jimmy Burch, Robert Hutto, Norman Kirkland, Billy Guess to follow "Red's" leadership. There was an old two story barn in my wife's mother's back yard and "Red's" pulpit was the little window at the top that was used to put hay through. What those boys couldn't think of in good clean fun, it couldn't be thought of. I remember once they had a Barnum and Bailey show in the back yard of one of the houses. A water hose began to dig itself into the ground. Evidently nobody thought to cut the water off. Anyway it dug itself underground and the combined strength of the whole gang couldn't pull it out. People came from rather long distances to figure it out.

I can remember another night when the screams of two or three women at various periods finally interrupted my reading and I went to investigate. They had made a large snake out of stuffed stockings, tied a rope to it and hid themselves. As people walked

the street, the "snake began crawling out of the bushes right over their feet." Another scheme, they would use, they would borrow an unsuspecting person's wallet, tie a string to it and watch people try to pick it up. Yes, there was fun on that block, and I'm sure many were the times Mrs. Hitt sat alone with a perfect picture of these years passing in kalaidoscopic formation in her memory, and then, no doubt many were the tears she shed. I used to particularly enjoy kidding Mr. Hitt. He was a rabid prohibitionist from the time I first knew him, and he didn't spare the pages of his newspaper in letting the world know how he felt. Those were the days of prohibition when bootleggers right and left were getting rich. I told him once I'd like to take a little bet with him—that he could name the town and the hotel, I would check into that hotel at twelve midnight, and in less than fifteen minutes will have bought a quart of liquor. He didn't believe me, in the first place, but in the second place he said he wasn't a betting man. I would have won the bet. Liquor could be bought anywhere in the state, but never with his permission. He hated Life Magazine. I knew it and had a goodly number of laughs over that fact. Once Life came out with a particular scurrilous article about South Carolina. I carried the magazine in to him and asked him if he had seen it. He said no—that he had thrown every copy of Life in the waste basket without bothering to look at it because it made him mad and he didn't like to get mad.

When Mr. Hitt sold out to Katherine and Gene, they asked Mrs. Hitt to remain with them until they were thoroughly familiar with all the "ropes." She did, and wrote the column "Folks and Things." I often wondered if she knew everybody in the entire country.

Somehow, Mrs. Hitt, you are very close to me at this moment. I'm reasonably sure you're looking over my shoulder. You know now that death is not a monster, although I'm reasonably sure you've felt that way a long time. If those you left behind who are dear to you can feel that death in a lot of ways can be a friend, their hearts will feel broken no longer. Surely they will remember the experience of John, the true and loyal friend of Jesus. He started with Christ as a very young man. He made a lot of mistakes, but he was faithful. Finally, he was exiled on the Isle of Patmos by those who had no love for Christ. It was a foul place, but there are usually some sort of compensations. In John's case, God rolled the curtain back and let him see Heaven. What a marvelous report he gave us. "And God shall wipe away all tears from their eyes and there shall be no more death, nor sorrow, nor crying, nor pain."

Yes, Mrs. Hitt, loved ones are precious to us, but there inevitably comes a day when one is transformed before our eyes. We cannot talk to her, nor she to us. But like the refreshing sound of a waterfall or the melody of music comes the words "I am the resurrection and the life. He that believeth in me, though he were dead, yet shall he live. And whosoever liveth and believeth in me shall never die." Now we know. We KNOW our mother lives. Yes, Mrs. Hitt, you have walked with the Blest in that Mansion of rest. How happy you must be.—W. D. Chitty.

A Prayer in the Funeral Service of Mrs. Weinona Strom Hitt, March 9, 1974

(By the Reverend C. Eugene Jones, pastor of Trinity United Methodist Church, Bamberg, S.C.)

Our Father, we thank Thee that Thy Son, Jesus Christ our Lord, conquered death and brought life and immortality to light through the gospel. We praise Thee for His assurance of Thy house of many mansions, where He has prepared a place for us, that where He is, there we may be also. We thank Thee, above all, for our Lord's glorious resurrection from the dead, and for the sure hope of life with Him for evermore. Wherefore we rejoice in this hour for Mrs. Hitt whom we have lost on earth, but who is now with Thee. Though we sorrow for our loss, we thank Thee for her infinite gain, knowing that for Mrs. Hitt to depart yesterday to be with Christ is far better for her.

We thank Thee for Mrs. Hitt who has faithfully lived, and who has peacefully died. We thank Thee for all fair, pleasant, tender, sweet and precious memories of Mrs. Hitt and for all living hopes we have for her in the life to come. We thank Thee that Mrs. Hitt has died in the Lord, and who now rests from her labors, having received the end of her faith, even the salvation of her soul.

O Lord and Master, who Thyself didst weep beside the grave, and art touched with the feeling of our sorrows; fulfill now Thy promise that Thou wilt not leave Thy people comfortless, but wilt come to them. Reveal Thyself unto Thy sorrowing servants, and cause them to hear Thee say, "I am the resurrection and the life: he that believeth in Me, though he were dead, yet shall he live: and whosoever liveth and believeth in Me shall never die." Help them, O Lord, to turn to Thee with true discernment, and to abide in Thee through living faith, that they may find now the comfort of Thy presence.

Father, so fill their hearts with trust in Thee, that they may without fear commit Mrs. Hitt to Thy never-failing love for the life to come. O Lord, we pray Thee, give us Thy strength, that we may live more bravely and faithfully for the sake of those who are no longer with us here upon earth; and grant us so to serve Thee day by day that we may find eternal fellowship with them, through Him who died and rose again for us all, even Jesus Christ Our Lord, in whose Precious, Blessed Name we pray. Amen.

Funeral Service For Mrs. R. M. Hitt

(Dr. James P. Carroll, Pastor, First Baptist Church, Bamberg, S.C., Mar. 9, 1974)

In the 31st. Chapter of Proverbs, we find a beautiful word-portrait of a noble woman. Just as a master artist with paints and brushes brings out all of the features of a beautiful face on canvass, so the divinely-inspired writer, with carefully-chosen words, delineates the qualities of a beautiful life. As we look upon this word-portrait, we see that such a woman is the stay and confidence of her husband. "The heart of her husband doth safely trust in her." She is industrious, working "willingly with her hands". She is generous. "She stretcheth out her hand to the poor; yea, she reacheth forth her hands to the needy." She is kind. "She openeth her mouth with wisdom, and in her tongue is the law of kindness." She is worthy of the praise of her family. "Her children arise up and call her blessed; her husband also, and he praiseth her." She is possessed of that beauty which can come only to those whose lives are lived in fellowship with God. "Favor is deceitful and beauty is vain, but a woman that feareth the Lord, she shall be praised." She needs no eulogy, no praise from man. "Her own works praise her in the gates."

This, our dear loved one and friend, whose memory we honor this afternoon, might have sat for such a portrait. So many of the beautiful descriptions of a noble woman portray so aptly the qualities of her life. As we think of her, we cannot but remember Paul's description of love in the 13th. Chapter of First Corinthians. "Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up; doth not behave itself unseemly; seeketh not her own, is not easily provoked; thinketh no evil; rejoiceth not in iniquity, but rejoiceth in the truth; beareth all things; believeth all things; hopeth all things; endureth all things."

Over many years, her life has been woven into the very fabric of this Community. She was ever a vital part of all that was good. Through her writing, she preserved for countless people beautiful memories of important events in their lives. Future historians of our Community will find in her writings rich sources of information. She loved beautiful things-beautiful music, beautiful literature, beautiful art, beautiful flowers.

She loved all of the Churches and was deeply interested in their well-being, but she was completely devoted in her own Church, serving in countless official capacities. She served as President of the W. M. U. For half a century, she was a beloved Teacher of little children in Sunday School. She was a member of many important Committees over the years. But it was in her unofficial service that she was most distinguished. Always in attendance, always deeply concerned, always encouraging, always willing to do what she could. Mrs. Hitt's attitude toward her Church is so well expressed in the Hymn:

I love Thy Kingdom, Lord, the house of Thine abode,
The Church our blest Redeemer saved, with His own precious blood.
For her my tears shall fall, for her my prayers ascend.
To her my cares and toils be given, till cares and toils shall end.
Beyond my highest joy, I prize her heavenly ways,
Her sweet communion, solemn vows, her hymns of love and praise

One of her chief regrets during her illness was that she could no longer attend the Services of her beloved Church.

All of us will have our own personal memories of Mrs. Hitt. All of us will have our own sense of personal indebtedness for some particular favor received, and some particular blessing bestowed. We shall be recounting them in the years to come.

Her beloved and close-knit Family will have the most intimate and precious memories of all. They will remember her as a loving Mother and Grandmother, and Sister. Her Children will remember that:

She always leaned to watch for us,
Anxious if we were late.
In Winter by the window,
In Summer by the gate.
And though we mocked her tenderly
Who had such loving care,
The long way home would seem more safe
Because she waited there.
Her thoughts were all so full of us,
She never could forget.
And so, I think that where she is,
She must be waiting yet.
Waiting till we've come home to her,
Anxious if we are late,
Watching from Heaven's Window,
Leaning from Heaven's Gate.

During her last illness, Mrs. Hitt had a beautiful dream which gives us an understanding of her noble life. She shared her dream with her family because it was so real and meaningful to her. Her family shared the dream with me, and I now share it with you. She dreamed that she was trying to cross Jordan. Having never been a swimmer, or a lover of the water, she was having a very difficult time. In fact, in her dream, she feared that she would not make it across the River. On the other side, she could see some lambs, playing on the shore. One of them seemed to sense her difficulty, and, leaving the others, he swam out to where she was. Getting beneath her, the lamb supported her until she reached the shore. Then another lamb came and the two of them lifted her up and placed her on a cloud, and she floated away into the heavens.

This dream is symbolic of Mrs. Hitt's life. In early years, she trusted her life to Him who is "the Lamb of God which taketh away the sin of the world." Over these many years, she has served Him who "hath borne our griefs and carried our sorrows." Through her life, her theme has been expressed in the words of the Hymn:

Redeemed, how I love to proclaim it.
Redeemed by the blood of the Lamb;
Redeemed through His finite mercy,
His child, and forever, I am.

The Lamb of God whom she trusted, and served, and loved has borne her through the swelling current, and now, she is safe on Canaan's side. In his vision of Heaven, John says, "After this, I beheld, and, Lo, a great multitude, which no man could number, of all nations, and kindreds, and people, and tongues, stood before the throne and before the Lamb, clothed with white robes, and palms in their hands, and cried with a loud voice, 'Salvation to our God, which sitteth upon the throne and unto the Lamb'." And now, she is there. And again, John says, "They shall hunger no more, neither thirst any more; neither shall the sun light on them, nor any heat. For the Lamb which is in the midst of the throne shall feed them, and shall lead them unto the living fountains of waters. And God shall wipe away all tears from their eyes." (Revelation 7:9–17)

Redeemed—and so happy in Jesus;
No language HER rapture can tell.
We know that the light of the Lamb's presence
With HER doth continually dwell.

DR. J. DUANE SQUIRES: NEW HAMPSHIRE'S NOTED HISTORIAN

Mr. McINTYRE. Mr. President, many Americans are giving their time and energies to insure an appropriate 200th birthday celebration for our great Nation. New Hampshire is fortunate in having as its bicentennial chairman a noted historian, an able administrator, and a patriotic American—Dr. J. Duane Squires.

Author of a four-volume history of the Granite State and a single volume history of the State for young readers, Dr. Squires has also contributed to government serving as a municipal judge.

His contributions to community, State, and Nation have been numerous and varied. Dr. Squires was recently honored by his election as Chairman of the Bicentennial Council of the Thirteen Original States. The council helps to acquaint the Thirteen Original States with each other's policies and activities relating to the observance of the Nation's approaching birthday. It also assumes leadership in the development of programs of interest and significance to the Thirteen Original States as a group.

All of these qualities distinguished Dr. Squires as New Hampshire's foremost historian. At this time I wish to take note of Dr. Squires' excellent writings. An article recently appearing in New Hampshire Echoes depicts John Stark as one of our finest Revolutionary patriots.

I ask unanimous consent that the article by Dr. Squires "John Stark—Portrait of a Patriot," be printed in the RECORD.

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

JOHN STARK—PORTRAIT OF A PATRIOT

(By J. Duane Squires)

On the State House lawn in Concord stands a statue of John Stark, dedicated in 1890. In Statuary Hall, located in our nation's Capitol, is another statue of John Stark, accepted by Congress in 1894. And in Manchester is a notable questrian statue of this same man, unveiled in 1948. Four words of his, "Live free or die," became the official motto of New Hampshire in 1945 and now appear on the state's motor vehicle plates. The Granite State town of Piercy renamed itself Stark in 132, and Ohio has a Stark County named for him.

Who was this man to whom so much honor has been paid, yet of whom so little is known by people today This patriot grew up in a modest house by Amoskeag Falls on a site within what is now Manchester (The house in which he then lived still stands, although no longer on its original land. Carefully restored and transplanted to Elm Street, it is now a prized possession of the D.A.R.). Once a captive of the Indians, Stark was a veteran soldier by the time the Revolutionary War began, with a notable military career in the French and Indian War behind him.

In the hectic days after the clashes between Americans and British at Lexington and Concord in the spring of 1775. Stark went to Massachusetts. Soon he was named commanding officer of a regiment of more than 1000 New Hampshire militiamen who had flocked to the Bay Colony in sympathy with its cause. Colonel Stark commanded over 900 of these men at the Battle of Bunker Hill on June 17, a battle in which 1600 Americans inflicted great loss upon some of the most famous regiments of the British Army.

In 1776 Stark and his regiment—the First New Hampshire—crossed the Delaware River with General Washington on Christmas night. He aided mightily in defeating the British at Trenton. In August 1777, Stark, by now a Brigadier General, commanded the troops that defeated a British advance guard near Bennington, Vermont—a conflict which was the turning point in the Revolutionary War. In 1778 Stark was involved in the Rhode Island campaign. And in 1780 he was a member of the court martial which sentenced Major Andre to death for complicity in Benedict Arnold's treason. At the end of the war, John Stark was promoted to the rank of Major General in the Continental Army, a distinction he cherished for the rest of his life.

John Stark was married to Elizabeth Page of Dunbarton for almost 56 years. His pet name for his wife was "Molly," and many stories have been told of how he would affectionately address her by this cognomen. One of the most repeated concerns a rallying cry to his troops at Bennington in which he exhorted them to rout the Red Coats "or tonight Molly Stark sleeps a widow!"

The John Stark Highway commemorates his trek across New Hampshire on his way to the Battle of Bennington, and an impressive mural in the State Senate Chamber in Concord shows the General as he was leaving his sawmill in Derryfield to lead his militiamen to Massachusetts in 1775. But even so, his name and accomplishments are still not well known to the people of our state two hundred years after his deeds were the talk of the colonies.

Stark died in 1822. Later, when Congress accepted the Stark statue, Senator Jacob H. Gallinger of Concord would write: "Plain in appearance, awkward in manner, untrained in the arts of social life, uneducated and brusk, he, nevertheless achieved undying fame, and the luster of his name will never grow dim so long as men love honesty, admire bravery and recognize the grandeur of patriotic devotion to duty and to country . . ." It was an accurate description of a remarkable individual.

SENATOR LLOYD BENTSEN'S ADDRESS TO THE CENTER FOR THE STUDY OF THE PRESIDENCY

Mr. HUMPHREY. Mr. President, one of the issues before the American people concerns the nature and dimensions of the office of the Presidency. Questions about this office—its power and its relationship with the other branches of the Government—are matters of lively debate and serious study throughout our country.

On March 31, 1974, the Center for the Study of the Presidency held its fifth annual symposium in Reston, Va. One of the guest speakers was Senator LLOYD M. BENTSEN of Texas.

Senator BENTSEN articulated a thoughtful, reasoned conception of those elements which are part of the Presidency, and of the limits and opportunities inherent in the exercise of the responsibilities of that office. He puts into perspective the many demands which are made on the person who occupies the Presidency—requiring that person to be "not only Chief Executive and Commander-in-Chief, but skilled politician, analyst, planner, educator, leader, and example."

Mr. President, I believe that Senator BENTSEN's remarks go to the heart of many of the troubles we perceive in the Presidency today, and I ask unanimous consent that his address be printed in the RECORD.

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

ADDRESS OF HON. LLOYD BENTSEN

It is a pleasure to join you today in this very timely and important discussion of the Office of the Presidency, which is being viewed with alarm on all sides these days.

On the one hand, there is widespread fear that the Office of President has become overpowerful. On the other, there is fear that it is on the verge of losing the power it needs to be effective.

I think it would encourage all viewers-with-alarm to know that this symposium is taking place. It certainly encourages me.

This is a far more constructive approach to citizenship than the one advocated by Gordon Strachan when he advised young people to stay away from government.

I want to congratulate all of you, and only for having been chosen to represent your colleges and universities here, but also for having placed the serious study of government high on your personal priorities.

This kind of commitment, plus such opportunities as this forum for the exchange of ideas, is promising for the future of the presidency and of democracy.

So I commend you for being here. And I commend Dr. Hoxie and the Center for the Study of the Presidency for both the concept and the implementation of this annual symposium.

I am grateful for the opportunity to participate in it.

Like many citizens, I have been giving a great deal of thought to the presidency—how it was conceived, what it has become, and what it can be, and must be in the future, if democracy is to flourish.

In sharing some of those thoughts with you, I want to make it clear that I am talking about the office, rather than any specific President. And I want to make it clear that there is a disturbing trend in the concept of the Presidency which started many years ago. It wasn't something that cropped up under the current Administration. And it was as much the fault of the Congress—a failure of Congress to assert its Constitutional role, over an extended period of time—as it was the fault of the Executive Branch.

I recognize that it is all too easy for a member of the Senate to take a critical view of the Executive. The adversary relationship between the two was built into our Constitution and the function of government depends on it.

Members of the Senate are not expected to always agree with the President—even if they belong to the President's Party. But we are expected to respect his concept and conduct of the office.

The concept of the Presidency has been changing over a period of time—and from my viewpoint, much of the change has not been for the better.

The recent turmoil surrounding that office is a clear signal that it is time to reexamine the role of the President in exercising the "just powers" conferred by the consent of the governed.

Before I continue, I would like to say that when I speak of the Presidency, I don't think of it as an office restricted to males only, and I have no difficulty visualizing a woman executive. But since such terms as "spokesperson" and "chairperson" don't trip naturally off my tongue, and I find "he-or-she" and "him-or-her" awkward encumbrances to communication, I will simply ask you to accept my remarks as applying to both sexes.

A President is required to be many things—to millions of people.

First of all, he must be a politician.

That may be a rash statement to make, in view of the distrust of politicians that is so rampant today. But I know you are mature enough to recognize the difference between good and bad politics, and to realize that no politics is a code for chaos.

A politician—in the best sense of the word—understands the forces that motivate people to action in a common cause. A politician has a philosophy of government, and the ability to translate that philosophy into programs.

To do this, he has to be able to work with the Congress, in a spirit of respect for the elected representatives of the people and respect for the balance of powers provided by the Constitution.

Moreover, he must be able to work with the leaders of his own party. To function effectively, he has to be the leader of his party. But he must also be willing to subject himself to the discipline of the party.

The President cannot conduct his office in a vacuum. He must have the support of his party to initiate programs and to make programs workable. Votes are not enough. Votes win elections—but they do not guarantee good government.

Our form of government depends on a strong two-party system, and on a sound working relationship between elected officials of both parties.

The President is in a unique position to promote that kind of relationship. Lyndon Johnson understood that very well. He was most effective in mobilizing bipartisan support for legislative programs.

In spite of all the jokes about his arm-twisting techniques and his "Come-let-us-reason-together" slogan, history can't ignore the unprecedented program of domestic legislation enacted during his administration.

His greatest successes were achieved by working with party support; his worst failures, by proceeding without it.

The role most commonly ascribed to the President is that of Chief Executive, charged with responsibility for executing the laws passed by the legislative branch. And executing them—as my friend Hubert Humphrey has said—does not mean killing them off, by arbitrary means of impoundment and freezing of funds allocated for authorized programs, or by the unconstitutional exercise of the veto power.

The Constitution does not give the President the prerogative of executing only those laws he happens to approve.

Respect for democratic principles demands that the President be willing to execute the laws enacted by Congress. That implies an understanding and appreciation of the separation of powers.

We have seen what I consider a dangerous erosion of that separation over the past three decades; since the end of World War II.

Americans have accepted this without undue concern because they tend to favor a strong President. But I think there has been some confusion in the past about what a strong President is.

Is it one who rides roughshod over the principle of separation of powers One who extends the power and authority of his office at the expense of other branches of government that are presumed to be co-equal?

We can't afford to be confused over the distinction between a strong President and a strong Government, a strong country.

My view of a strong President is one who acts decisively and competently within his constitutionally assigned limits, taking full personal responsibility for the conduct of the executive branch, its successes and its failures.

In what has been described as the most powerful and the most demanding job in the world today, this naturally requires a high degree of executive ability—which does not imply that the government should be, or can be, run as a business. The politician-President knows this is not so.

Governing is an art—not a business—although some of the lessons and techniques of the modern business world could certainly be used to better advantage in government.

But the executive-President knows, as Harry Truman knew, that the buck stops at his desk.

He is responsible for maintaining the structure of the executive branch at a manageable level, for supervising the functions of all the departments that are answerable to him—as he is answerable to the people.

So he must be skilled in delegating authority and in selecting capable people to whom he can delegate authority.

I think the measure of a President can very well be taken by the quality of his appointments.

As a wise man once remarked: A dishonest man cannot keep honest employees, for they will expose him; an incompetent man cannot keep competent employees, for they will be frustrated; and an inferior man cannot keep superior employees, for they will outshine him.

A strong President will surround himself with strong and effective advisers. He is, after all, the Chief Executive—not the sole executive.

Every member of the Cabinet, every agency head, should be an executive—and a highly competent executive—as well as an adviser to the President, who is then free to fulfill his function as Chief Executive.

And right here I would like to say that it is high time to return to the Cabinet system.

It has been downgraded and bypassed for too long.

Government is far too complex, and events move far too rapidly, to be managed by a White House clique.

The country is dangerously weakened when the Cabinet is supplanted by a team of faceless, anonymous advisers who pay allegiance only to the President.

There is no place in a democracy for an elite palace guard composed of men who have never been elected to office, and who have never been formally appointed to office with the Constitutional safeguard of Senate review and confirmation.

I believe we had too much spotlight on the White House and not enough on the Executive Departments.

The press is inclined to focus on the White House as the power center. That focus could be changed by a President who—by his appointments and his actions—turns the spotlight on the members of the Cabinet as spokesmen for their departments and for the Administration, in the areas of their expertise.

It is an unwise President who bypasses or usurps the function of the Cabinet. A President who is strong on foreign policy may be said to be "his own Secretary of State." I have heard that remark made of various Presidents, in tones of admiration.

But I am reminded of the saying that is popular in medical circles: "He who doctors himself has a fool for a patient."

No President—no matter how knowledgeable he is in foreign affairs—can serve as Secretary of State and Chief Executive at the same time.

Both jobs are more than full-time.

Personal diplomacy is at best a limited tool in a democratic government.

We have seen how government can fall apart at home while attention is focused abroad.

Moreover, the suggestion that one person and only one person can maintain good relations between our country and any foreign power is antithetical to democracy.

It denies the principle of continuity and advances the myth of indispensability.

Working agreements and alliances must be forged between governments—not the heads of government, with their limited tenure on life and office.

Now let me say a word about the President in his traditional role of Commander-in-Chief. That title does not demand a special background in military strategy, nor does it confer on him instant wisdom in military affairs.

It is, of course, essential for him to be able to act quickly and decisively when the nation's security is actually at stake. In such cases, he must rely on the best military advice he can get—plus his own good judgment. That judgment must be based on political as well as military considerations. The two can rarely be separated. It is a strength of our system that authority is vested in a civilian Commander-in-Chief who can make military decisions on the basis of his knowledge of political realities at home and abroad.

I see the President of the United States as an analyst and a planner. He must be constantly assessing the state of the nation, determining how well the laws are serving their intended purpose, and where they need to be amended or augmented and improved. From that viewpoint, he makes recommendations to the Congress. He presents a program. He does not necessarily wait for a program to be presented to him for approval, though he doesn't always oppose one simply because he didn't think of it first. He does not wait for public clamor to spur him to action.

While he deals with the realities of the present, he is always looking down the road, anticipating future problems and needs and moving forward to meet them. When the President fails to do this, the country lives in a perpetual state of crisis.

Every President has to look far beyond his own term of office. Continuity is the very essence of the Office of the Presidency.

The President must also be an educator, recognizing that the strength of a democracy depends on an enlightened electorate. Thomas Jefferson said, "If a nation expects to be ignorant and free, it expects what never was and never will be."

The issues on which a citizen needs to pass judgment today must be more complex than they were in Jefferson's time, but the citizen's capacity to grasp those complexities should never be underrated.

It is not enough that the President understand the issues. He must be willing and able to present them to the people, to win support for government policies, and to give citizens the background for making free choices.

Information is not to be confused with propaganda. The first requirement for information is truth—the good news and the bad. When the White House becomes a Good News Machine, the people are quick to detect it and to lose confidence.

Frequent press conferences, when the President and his Administration are subjected to open questioning by reporters, are essential to the free flow of information. Franklin D. Roosevelt made good use of the press conference as a medium of education, and supplemented it to good effect with his Fireside Chats to bring government closer to the people.

The President's attitude toward people is as important as his attitude toward information. Adlai Stevenson said: "Trust the people. Trust their good sense . . . Trust them with the facts, trust them with the great decisions."

The President must trust the people . . . and inspire their trust.

In short, he must be a leader. He is guided—he must be guided—by public opinion. But he would be a poor leader if he changed course with every shift in the polls. He has to have the courage of his own convictions, plus the ability to evaluate public opinion surveys, which can be impediments to leadership as well as valuable tools for decision-making.

A leader today must be able to recognize when the polls are inaccurate or inadequate reflections of public opinion—or when they are accurate reflections of uniformed opinion. Obviously, the man in the street doesn't have access to all the information that is available to the man in the Oval Office. This information cannot always be made public; but I believe the trend toward greater secrecy in government has weakened the credibility of leadership. A leader who expects people to follow has to level with them about where they are going—and why.

There is probably no office in the world today with great potential for influence by example than the Office of President of the United States. I am not referring to moral example alone; I think we are all agreed that character and integrity are prerequisites for the job. But the President has a unique opportunity to set an example of the democratic ideal for our own citizens and for people around the world, rejecting all the trappings of royalty and avoiding the slightest taint of special privilege.

The Office of the Presidency has deviated considerably from the original intent. It has become more remote, more exalted, more powerful. And it has become more distrusted and feared—both at home and abroad.

George Washington painted no mystical aura around the office. He insisted that "Mr." was a sufficient title for any American.

Thomas Jefferson walked from his hotel to his inaugural ceremony—and afterward sat at the cold end of the table at his boarding-house, because no man there would give the new President a place at the warm end. No one thought of yielding one to the new President, any more than he would have thought of demanding it.

Of course we cannot go back to the simplicity of the old days. But it is still within the power of the President to set a tone that is in keeping with a democratic society, where hardships and sacrifices are equally shared.

During World War II, meatless days were observed in the White House as they were in any other household. When the King and Queen of England came to visit, Franklin and Eleanor Roosevelt entertained them with a picnic on the grounds of Hyde Park—where the guests dined on hot dogs.

In spite of modern demands for protection and security, Harry Truman was one of our most accessible Presidents. He got his exercise by taking brisk early morning walks through the streets of Washington—followed by a breathless retinue of reporters and a barrage of questions.

He kept his perspective by reminding himself, when faced with crucial decisions, that he was just an average American citizen—who happened to be occupying the Office of the Presidency at that particular time in history.

It is this perspective that needs to be restored and re-emphasized—by an open President, an accessible President, a democratic President spelled with a small "d", who makes no apology for democracy.

I realize I have placed a heavy burden on the shoulders of the President, requiring him to be not only Chief Executive and Commander-in-Chief, but skilled politician, analyst, planner, educator, leader, and example.

And you may wonder if there are any Americans who can fit the job description.

My answer is yes—thousands of them.

I reject categorically the undemocratic idea that there is only one person in either party who is uniquely qualified for the Presidency.

We may have shortages in this country, but there is no shortage of leadership. There is an abundance of talent to be tapped—and it is the responsibility of the political parties to tap it, so that they can offer the American people a choice of highly qualified candidates to occupy the Office of the Presidency.

SENATOR BEALL URGES GREATER LEGISLATIVE OVERSIGHT

Mr. BEALL. Mr. President, I am pleased to join Senator HUMPHREY in offering Senate Resolution 300 which would improve the ability of the Senate in the legislative oversight area.

My colleagues will recall that during consideration of the budget reform measure, Senator HUMPHREY and I were able to get together and combine amendments which both of us had introduced in this area. We offered that amendment and at the urging of the distinguished Senator from West Virginia, Senator BYRD, we withdrew the amendment following a commitment by Senator BYRD to conduct hearings on the measure by the Rules Committee. The 1970 Reorganization Act contemplated additional legislative review of programs which we enacted. While some improvements have been made, I do not believe that the results under the Legislative Reorganization Act have been satisfactory insofar as the legislative oversight function is concerned.

The resolution that Senator HUMPHREY and I are introducing today contains many of the provisions of my original amendment which was also included in S. 758, the Congressional Budget Control and Oversight Improvement Act, which I introduced last February 5, 1973.

Specifically, the resolution provides that each standing committee in the Senate will establish a Legislative Oversight Subcommittee. When a committee already has a subcommittee, with the responsibility to a subject matter, that subcommittee, assisted by the Legislative Review Subcommittee, is required to evaluate all programs under its jurisdiction every 3 years. However, if the subcommittee having jurisdiction fails to evaluate such programs during this period, the Subcommittee on Legislative Review would then be mandated to undertake the evaluation.

To make it absolutely certain that a review would be forthcoming once every 5 years, the General Accounting Office would be required to make a study and to report to the appropriate committee if the review had not been done either by the appropriate subcommittee or the new Legislative Review Subcommittee by the end of the fourth year. Thus, this resolution would guarantee that the vital oversight function of the Congress would be accomplished.

Now, Mr. President, this is not a criticism of the present work of the various standing committees. It recognizes, however, that most of these committees are overwhelmed with their present legislative workload and program evaluation must necessarily take second place to the business of enacting legislation.

Furthermore, in most cases the existing committee staffs are already overworked and spread too thinly. Also, I believe that there is a difference between oversight hearings and the type of evaluation that is contemplated under this resolution.

If this resolution is enacted, it would assure that an adequate, and not cursory review is made by the legislative committees in the Congress and I believe that it will greatly strengthen the role of the Congress and better enable us to carry out our legislative responsibilities.

Again, I am pleased to join Senator HUMPHREY in this effort and I am hopeful that the Rules Committee will give this proposal its early and favorable consideration.

THE WORK INCENTIVE PROGRAM

Mr. TALMADGE. Mr. President, the spiraling cost of public welfare and the ever-increasing number of people on relief is naturally a matter of grave concern to Congress and to every American taxpayer.

Recent reports from the administration indicate that public welfare rolls are declining to some degree. I hope this is true, and I hope it indicates that at least some progress has been made in

breaking the welfare cycle for some people.

If this be the case, credit is due State administrations which are more stringently policing rules and regulations governing welfare cheating and eligibility requirements.

At the same time, in my judgment, a great deal of credit must also go to the work incentive program—WIN—which was strengthened by legislation and made more effective in the last Congress. I am particularly very proud personally of the initial success of legislation I sponsored to allow tax credits for private business and industries which hire and train welfare recipients—thereby getting them off the public dole.

There appeared in the March 29 edition of the Atlanta Constitution a news article on the outstanding success of the work incentive program in Macon County, Ga. The article points out how able-bodied people have been taken off welfare, trained for a job, and placed in gainful employment. I have maintained for a long time and I maintain now that increased education and job training, through a working partnership between government and private business, is the best solution and the most lasting solution to the welfare mess.

I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

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

WIN PLACING PEOPLE IN JOBS

(By Violet Moore)

MONTEZUMA.—With a name like WIN, how can you lose?

WIN stands for the new Work Incentive Program, a major state and national effort to help people on Aid to Families with Dependent Children (AFDC) become productive workers.

Since the summer of 1973, the Georgia Department of Labor's WIN office in Americas, cooperating with the Macon County Department of Families and Children Services, has placed 326 individuals in jobs ranging from policewoman to daycare attendant as a first step on the road to financial independence.

The large majority of WIN's clients are mothers of infants and school age children who are unable to work outside the home. The goal of WIN is to train the client in job skills, find her a job, and eventually reduce the AFDC grant she has been receiving or close out her case as a welfare recipient completely.

Arrangements for child care are made through FACS.

Mrs. Lucy Hatcher, manager of the WIN program in the counties served from the Americus office of the Georgia Department of Labor, describes the process this way:

"Every case we handle is special in some way. We must assess the client's skills or those she could acquire, find an employer who is willing to participate in her training, arrange for transportation, and continue to counsel her during the orientation period of two weeks, and throughout the probationary time of her employment.

For up to 12 months the employer is reimbursed by WIN for 50 per cent of the costs of her training.

One of the newer advantages to the employer who provides a job and training environment for a WIN client is the tax credit which recently went into effect. The Revenue Act of 1971 allows employers to claim a "Job Development Tax Credit" for hiring workers placed through WIN. The credit amounts to 20 per cent of the cash wages paid the employee during the first 12 months he works for the employer.

If, for example, the client's wages are $5,000, the employer's tax credit would be $1,000, and an employer hiring 25 workers at the $5,000 yearly wage would take a tax credit amounting to $25,000.

To illustrate how WIN goes into action, take the case of Norma McKenzie, 24, who was married, had two children, then was separated from her husband. She volunteered for the WIN program in April 1973.

As soon as she registered the Macon County Department of FACS referred her to Mrs. Hatcher's office in Americus. While they began looking for a job for her, Mrs. Cheryl York, her social worker in the Macon County FACS, helped her make arrangements for child care.

Virgil Carter, WIN's employer relations representative, contacted Mayor B. C. Bickley in Marshallville, explaining the advantages of hiring a WIN participant. After discussion with Police Chief Herbert Jones, they agreed to give the young woman a chance and, in November, Mrs. McKenzie was hired as police radio dispatcher, becoming the first woman to work with the Marshallville police department. She now provides total support for herself and two children.

One of the industries involved in the WIN program is Southern Frozen Foods Inc. of Montezuma. Twenty-one WIN clients have found gainful employment there. Besides the public service to the community in providing jobs for welfare clients and helping them toward financial independence, this major middle Georgia industry has a new labor source, and is entitled to a tax break on their first year at the plant.

The WIN program actually began with a training program in the late 1960's, which led to the employment-oriented WIN system which began in 1972. The program has been active in Middle Georgia since 1973.

The WIN staff at the Americus office consists of Lucy Hatcher, manager; two counselors, Ronald C. Moye and Clarence W. Short, both of Americus; employer relations representative, Virgil Carter, Montezuma; and job coach, Dorothy Hamilton, Smithville.

UNEMPLOYMENT COMPENSATION RELATING TO THE ENERGY CRISIS

Mr. FANNIN. Mr. President, the Senate Finance Committee conducted hearings yesterday on unemployment compensation relating to the energy crisis.

The committee was privileged to have the testimony of Mr. Ross Morgan, administrator of the employment division for the State of Oregon, and Mr. Harry Rothell, administrator of the Texas Employment Commission.

Mr. President, I think it is extremely significant that both of these gentlemen testified that special legislation is not needed at this stage of the economy. Further, Mr. Rothell pointed out that the increased claim loads in most of the States due to the energy crisis have not been excessive and that the regular State programs and the Federal-State extended programs have been adequate in those few States which have had extremely high claims actively. In fact, the State of Michigan, the State most hard hit by the fuel shortage, has just recently triggered in on the Federal-State extended benefit program.

Mr. President, I ask that the full statement of these experts be printed in the RECORD.

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

STATEMENT BY ROSS MORGAN, ADMINISTRATOR, EMPLOYMENT DIVISION, STATE OF OREGON

Mr. Chairman, Members of the Committee, I am Ross Morgan, Administrator, Employment Division, State of Oregon.

I have been asked to respond to the question of whether special legislation related to unemployment insurance is needed as a result of the energy crisis.

Even though Oregon along with our neighboring states of Washington and Alaska have been among the leaders of the nation in high unemployment percentage rates, we do not believe special legislation is needed.

The work force in Oregon totals 1,029,000. Total unemployment stands at 68,900. The seasonally adjusted unemployment rate for the month of February was 5.7% compared with a national rate of 5.2%.

Total layoff due to the energy crisis reached a peak of 2,750 as of January 14. As of March 25, the number had declined to 1,340.

In addition to the energy crisis, Oregon's high unemployment rate is due to seasonal factors, national business downturn and unprecedented in-migration. At the same time, our growth rate continued well ahead of the national average. 36,800 more people were employed in February than the year-ago level. Thus, we have a healthy growing economy and at the same time, a high unemployment rate.

We believe that our present unemployment insurance program of 26 weeks along with the extended benefit program of 13 weeks is adequate to take care of the needs of the workers of our state. In Oregon, all workers are covered, both public and private, except domestic help and farm workers.

Our state will trigger "on" extended benefits the week of April 7. If the 120% factor had not been suspended, we would have triggered the last week in May. We anticipate paying extended benefits the balance of the year whether or not the 120% factor is suspended again.

Since initial enactment of the extended benefit program, the permanent state "on" and "off" indicators have not functioned as efficiently as anticipated. Many states did trigger "on" in 1971 and early 1972 due to the high unemployment at that time as was intended. However, several states continued to experience high unemployment over an extended period of time—notably Washington and Alaska. As a result, those states' unemployment rates, while high, did not qualify for continued extended payments. Congress has several times permitted suspension of the 120% factor that at first glance may appear desirable, but in some states it permits extended benefit periods to be established each year because of seasonal unemployment. The original purpose of the extended benefit program was to pay benefits when economic downturns occur and large numbers exhaust their regular claims. With the only requirement for an "on" indicator being 4%, Oregon would trigger extended benefits every year, as seasonal layoffs annually bring the rate well above this level. In fact, six per cent would start an extended period during most years—the mid-January rate during the last 10 years is 6.4 per cent. (Oregon's annual average rate is 4.0 per cent.) Oregon's exhaustion rate does not warrant payment of extended benefits each year. Only when the rate becomes extremely high in relation to normal do large numbers begin exhausting.

One possibility for eliminating the need

for continuing the suspension of the 120 per cent factor on "on" and "off" indicators is to amend the permanent indicators by deleting the 120 per cent factor on the "off" indicator but leaving it in the "on" trigger. If this had been in the original trigger provisions, most states would not have required the "special" suspension to continue payment of extended benefits as unemployment remained high (above 4.0 per cent).

Thank you for the opportunity to bring this testimony to your Committee. If you have any questions, I would be happy to respond.

STATEMENT BY HENRY ROTHELL, ADMINISTRATOR OF THE TEXAS EMPLOYMENT COMMISSION

Mr. Chairman and Members of the Committee, my name is Henry Rothell. I am the Administrator of the Texas Employment Commission. I have been engaged in the Administration of the Unemployment Compensation Program in Texas for 36 years.

I am appearing before this Committee today because I am greatly concerned about the various provisions of the several "Energy Crisis" Unemployment Bills introduced to pay additional unemployment compensation to individuals unemployed during the energy crisis.

All four of the bills listed in the notice of hearing have basic weaknesses. Senator Jackson's bill and Senator Ribicoff's bill would pay compensation to anyone whose unemployment was caused by the energy crisis—the "cause" factor would be almost impossible to deny in any case of unemployment.

Senator Kennedy's bill would pay additional benefits only to those who are covered under current programs—and would be of no assistance to those not covered under present programs. In addition it would pay bonuses to states which have higher unemployment rates during the crisis—but this could have just the opposite effect of that intended. For example, the state of Texas would probably qualify for a bonus while the state of Washington probably would not although Washington will be more adversely affected by the crisis.

Title II of the Administration's Bill introduced by Senator Bennett is highly discriminatory—it would pay additional benefits to unemployed in population areas of 250,000 or more but would give no assistance to less populated areas.

Mr. Chairman, the extreme differences in these four proposals indicate the wide difference in opinion as to just what action should be taken during this crisis for the unemployed.

All of these bills bear the mark of hurriedly drafted legislation. Further, no thought has been given to the question of whether the current unemployment compensation programs developed and passed by this Committee are meeting the present needs.

I would point out that the increased claim loads in most of the states due to the energy crisis have not been excessive and that the regular state programs and the Federal-State Extended programs have been adequate in those few states which have had extremely high claims activity. In fact, the state of Michigan, the state most hard hit by the fuel shortage, has just recently "triggered in" on the Federal-State Extended Benefit Program.

Mr. Chairman, I am suggesting that our present situation is not so severe that we should hurriedly enact any legislation which contains basic weaknesses.

I respectfully point out that we should immediately consider an amendment to our Federal-State Extended Benefit statute to correct the "state trigger" criteria. An alternative trigger provision is needed to permit a state to continue participating in the extended program when the rate of unemployment remains abnormally high. Such an amendment would make it unnecessary for Congress to further extend the waiver of the 120% factor.

This concludes my statement. I will be glad to try to answer any questions you have.

SUMMARY STATEMENT

1. All of the proposed bills have basic weaknesses and there are extremely wide differences in the proposals to handle the unemployment problem. They appear to be hurriedly drafted without full consideration of the problem.

2. The immediate crisis appears to have passed the crest since the claim loads have already turned downward and the regular unemployment programs developed and passed by this Committee have been sufficient to handle the increased claim loads.

3. An immediate amendment to the Federal-State Extended Benefit statute should be made with respect to the state "trigger" criteria. An alternative trigger should be added to permit a state to remain in the extended program when the rate of unemployment remains abnormally high.

Mr. FANNIN. Mr. President, the New York Times of March 24, 1974, contained an article entitled "It's Still Early, but Economy May Have Seen the Worst" which I would like to bring to the attention of my colleagues. This article points out that:

Payroll employment rose in February and unemployment did not increase further, at least for the time being.

This is one of the factors that have led to a generally positive forecast and further validates the views of the two witnesses before the Finance Committee. I ask that the full text of 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:

IT'S STILL EARLY, BUT ECONOMY MAY HAVE SEEN THE WORST

(By Edwin L. Dale, Jr.)

WASHINGTON.—The Administration's economists, with considerable but not unanimous support from private forecasters, believe that most of this year's downturn in the American economy has already taken place.

However, because of the necessary lag in statistics, the figures will still be showing declining output for at least another month. Figures for March and the first quarter will not be published until April and even May.

The Government normally makes an official forecast only once a year—at the time of the President's economic report to Congress in late January or early February. But the Government regularly updates its forecast without publishing the results. The latest updating was nearing completion last week, with most of the main February statistics in hand.

Without revealing specific numbers, officials now concede a sizable decline in the "real" gross national product in the first quarter. They believe the outlook for the second quarter is for a very small change in either direction—that is, for an essentially flat economy.

For the second half, they are projecting what is probably a somewhat stonger recovery than the "standard" private forecast. It is certainly stronger than a private projection of a rise in the G.N.P. of less than 1 per cent in each of the third and fourth quarters. This projection was disclosed last week in the composite forecast of 62 economists released by the National Bureau of Economic Research and the American Statistical Association.

One high official, commenting on the ending of the oil embargo, said last week: "Our best judgment was that there would be a recovery with or without the end of the embargo. The embargo's end removes some of the downside risk in the second quarter and helps to assure the recovery in the second half."

In other words, the lifting of the Arabs' embargo on oil shipments to the United States has not significantly changed the Administration's economic forecast for the rest of this year. The end of the embargo has simply added to the Administration's confidence that the script, including an upturn in the second half of the year, will be followed.

Herbert Stein, chairman of the Council of Economic Advisers, has said there might be a favorable effect on automobile sales but that otherwise the embargo's end would not change things much.

Other officials have noted the risk of a serious decline in consumer buying generally because of the over-all atmosphere of confusion and uncertainty. They feel that this risk, too, may now be lessened.

Testifying last week in opposition to a general tax reduction to spur demand, Secretary of the Treasury George P. Schultz told the Senate Finance Committee that "we think the odds are decisively" in favor of a recovery without special stimulus.

He added, "The forces for revival would be further strengthened if the oil embargo comes to an end and oil output in the Persian Gulf area increases." And he implied that the economy might be at its low point this month.

What statistics so far this year have reinforced the generally positive forecast? Here they are:

Payroll employment rose in February and unemployment did not increase further, at least for the time being.

The great bulk of the 2 per cent decline in industrial production since November has been energy-related—automobiles and electric power.

Housing starts apparently hit bottom at the end of 1973 and have since turned up, though the big jump in February may have been a statistical fluke.

Manufacturers' orders have continued at a high level and backlogs of unfilled orders have continued to rise.

Personal income, which declined in January, resumed its rise in February.

The early-March survey of business intentions confirmed that plant and equipment spending would be strong throughout the year.

Inflation is another matter. While there has been some mildly encouraging news about prices of commodities and raw materials in recent weeks, no one expects the price figures to look really good at any time this year. What is urgently hoped for is "deceleration," with less inflation at the end of the year than at the beginning.

Mr. Shultz testified last week: "It is fair to say, I think, that the second half of 1974 will be a crossroads for the future of inflation in America. The situation will be sensitive to an acceleration of inflation. Economic activity will be rising.

"It will be a condition in which, if the economy moves ahead too fast, we could get a step-up in the inflation rate from which it will be hard ever to retreat."

But this very emphasis on the danger of inflation is evidence of growing confidence that the danger of recession is receding. Only events, of course, will tell if such confidence is well-founded.

TOURISM

Mr. GURNEY. Mr. President, on March 29 and April 1, hearings were held

before the Senate Commerce Committee, Subcommittee on Foreign Commerce and Tourism focusing on the problems faced by the tourist industry due to the energy crisis.

As my colleagues here in the Senate are well aware, the tourist industry is of vital importance to the millions of Americans who not only depend upon tourism for their livelihood, but who also depend upon this industry for a means of necessary relaxation.

At these hearings, I stressed the importance of including the tourist industry within any petroleum allocation program enforced by the Federal Government. I also urged the establishment of a Tourism Advisory Board within the Federal Energy Office, and I was most pleased to learn that during his testimony before the committee, Deputy Administrator John Sawhill assured the chairman of these hearings, the Honorable Senator INOUYE, that such a board would be established within the near future.

I respectfully request that my testimony before these hearings be printed in the RECORD at the end of my remarks.

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

TESTIMONY BEFORE THE SENATE SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM

I am pleased to have the opportunity to be here this morning for the opening session of these tourism hearings. Coming as they do on the heels of the worst energy crunch since World War II, these hearings could not be more timely. Tourism is not just a way for people to relax; it is both a livelihood and a way of life for millions of Americans.

In 1972, for instance, the tourist industry contributed approximately $61 billion to the U.S. economy according to the U.S. travel service. It also provided direct employment to many others. And, in many places—like Florida—tourism constitutes a major part of the economy.

As a matter of fact, tourism is one of the three leading industries in 46 of the 50 states of this nation. In Florida, of course, tourism is the biggest single industry, accounting for 15% of the state's total GSP (gross state product) for 1973. And, I understand its also the biggest industry in the home state of our distinguished chairman, Sen. Daniel K. Inouye, Hawaii, and also in the great state of Nevada.

Employmentwise, Tourism means jobs—either directly or indirectly—for almost three quarters of a million Floridians. The biggest single site industry in Florida is Disney World—which employs roughly 10,000 people while providing enjoyment for millions.

What had, and still has, all these people concerned is that the effect of the energy crisis is double barreled. Not only do people need fuel to run their tourist enterprises, but, for them to do any business, the tourists must have the fuel to reach them. Florida's particular problem is that, of the 25 million tourists that visited the state last year, 80% came by car.

As a consequence, last month's gasoline shortages really hit the state's tourist industry hard. Every gauge we have—car counts, welcome station information and turnpike toll data—indicates that auto travel into the state was off about 30% in January, almost 40% in February, and nearly 50% in the early part of March. While bus, train and plane ridership to Florida all increased during the same period, the increases were not sufficient to offset the decline in auto travel. As a result, the tourist industry in Florida suffered a dropoff of an estimated 15%.

However, before I get into specific details, let me make one point that I don't believe can be emphasized enough and that point is, regardless of how our gas situation has eased recently, we are still going to face shortages for quite some time and there is no guarantee that another oil embargo won't come along and put us back where we were a month ago. The worst thing we could do is think that our troubles are over, or that we can relax and let ourselves slide back into old habits.

Instead of a solution to the energy crisis what we have is a reprieve and we should take advantage of it to plan for future contingencies. Tourism is just as important to the American economy and the American people as any other industry. People need a vacation to be effective on the job, and making vacations enjoyable is a full time job that provides income for a substantial number of people. When thought of that way, tourism is not unpatriotic, nor is it some sort of luxury that we simply cannot afford.

There is no reason why tourism and continued conservation of fuel—both of which are necessary—cannot go hand in hand. Vacation travel accounts for only a small part of total auto gas consumption—only 2.1% compared to 84% for commuter travel—and even that can be reduced by increased usage of more efficient means of transportation.

For instance, a study published by the American Society of Civil Engineers last year, points out that buses get 125 passenger miles per gallon, and trains 80 passenger miles per gallon compared to 32 passenger miles per gallon for the average American car. Greater use of such concepts as car carrying trains, charter bus tours, train trips and reduced rates for weekend mass transit travel can make traveling not only more fuel efficient but also more convenient, comfortable, and relaxing. America has become wedded to the automobile by choice, not by necessity and there is no reason why adjustments in the mode of travel cannot be made without compromising the enjoyment of the trip.

Along these lines, I have just proposed that Amtrak initiate an auto-ferry service between Indianapolis, Indiana and Poinciana, Florida for receational vehicles. This service would complement not only the regular Amtrak auto-ferry service that is about to be instituted between these two cities, but also the privately owned auto-train service that runs from Lorton, Virginia, to Sanford, Florida. The savings would be considerable since Florida is rapidly becoming a haven for recreational vehicles. In fact, recent studies show that one out of every four Floridians lives in a mobile home with more mobile homes coming down every day.

Another suggestion that has been made is the expansion of Amtrak passenger train service wherever feasible. Last year, even though passenger train ridership increased over 1972, only 4% of the visitors to Florida came by train. This year, Amtrak reports that ridership to Florida was up over 54% in February, but given the fact that train ridership (intercity plus commuter) last year was 64% less than it was twenty-five years ago, there is certainly room for improvement.

Mr. Chairman, along with transportation, one of the major concerns of the tourist industry is the impact of the energy crisis on employment.

To offset this impact, I have also proposed legislation that would increase the fuel allocation to any state whose unemployment rate increased five tenths of one percent or more as a direct result of the energy crisis. As long as we are going to have a mandatory fuel allocation program, it only makes sense to allocate gas where it is needed the most and what better test is there of need than an indication of rising unemployment.

I have also introduced legislation that would establish a new formula for the distribution of gasoline to states. Presently, the Federal Energy Office's allocation formula is based solely upon a percentage adjustment of gasoline consumption in 1972, and state motor vehicle growth. The formula I have proposed requires the Administrator of the Federal Energy Office to allocate motor gasoline according to a state's 1972 population census; the gasoline sales tax receipts of each state; the gasoline consumption increases within each state on a quarterly basis; and the 1973 motor vehicle license tag registration within each state, in determining an equitable gasoline allocation. Such a broad based formula would increase the likelihood of each state getting it's fair share of whatever gasoline is available.

Passage of proposals like these, plus implementation of air, rail and bus transportation alternatives would go a long way towards alleviating gasoline shortages that the federal office estimates will run in the neighborhood of 5% this summer.

However, this list of suggestions is by no means all inclusive. Each state has its own particular tourism problems, for which unique or localized solutions are often the only answer. Given these circumstances, it is vital that state and local agencies concerned with the effects of the energy crisis be able to deal with the Federal Energy Office in an effective and unified manner. Therefore, on March 4th, I wrote a letter to Energy Administrator William Simon urging him to create a tourist advisory board within the Federal Energy Office to make sure that, in our well-intentioned efforts to conserve fuel, we do not overlook the impact that energy saving efforts might have on the tourist industry.

As of this date, the Federal Energy Office has not acted upon this proposal. Therefore, today I am offering legislation to establish a tourism advisory board within the Federal Energy Office. FEO must acknowledge tourism as a legitimate industry, and I feel that with the establishment of a tourism advisory board within FEO and the appointment of tourist specialists to this board, FEO will be better able to make policy decisions that affect this nation's tourist industry.

Therefore it has become evident that the time for rhetoric has passed and the time for offensive action is at hand. I have just completed arrangements for a major conference on tourism to take place within the near future in Florida. It will be participated in by representatives of all tourist oriented industries throughout the state as well as all Florida Chambers of Commerce and other representatives including national level representatives from the executive and legislative offices of government. More details on this special action conference will be released by my office next week.

Generally speaking, the problems the tourist industry in my home state faces can be broken down into three categories.

The first is the difficulty travelers have getting to Florida.

The second deals with the difficulty people have getting around Florida once they arrive.

The third consists of the cumulative effect of the first two on business and employment.

I have already touched on the subject of the difficulty people have had getting to Florida, but, for the benefit of the sub-committee, which I think can benefit from a more detailed and specific case history, let me go into the facts and figures a bit more thoroughly.

As I indicated previously, auto travel into Florida dropped sharply as the energy crisis worsened. In January 1974, 30% fewer travelers dropped by Florida's welcome stations than did so in January 1973. In February, 38% fewer auto travelers stopped in and, during the first three weeks of March, 47% fewer people stopped by than had done so

the year before. In addition, the Florida State Department of Tourism reported that, during the first week of February—to list an example—auto travel into Florida on five major highways—I-10, I-75, I-95, U.S.-1 and U.S.-98—was down 32% from the previous year. Moreover, data collected by the Florida turnpike authority—operators of the nationally famous Sunshine State Parkway—indicated that, during the first 20 days of February, auto traffic dropped 13.4% and toll revenue dropped 20%.

The toll revenue figure points up the importance of including gasoline tax receipts in any fuel allocation formula. Not only do tax or toll receipts give a pretty good idea of current fuel usage, but they also indicate economic impact on both business enterprises and state revenues.

As I also indicated, the alternatives to auto travel picked up some of the slack but not enough to keep business up to its previous levels.

For instance, the airlines, despite fuel shortages of their own, were able to carry more passengers on fewer flights. National, Eastern, Delta, United and Southern all reported increased bookings during January and February.

Also, Amtrak figures show that passenger train travel to Florida picked up considerably as the energy crisis deepened. On the New York to Florida run, ridership increased 54% in February 1974 compared to February 1973 and on the Chicago to Florida run, the increase was 58%.

And, finally, buses have picked up their share of the load.

Even so, many people rather than leave their car home or run the risk of running out of gas, simply called off their plans to go to Florida on vacation. Many feared that even if they did not get stranded enroute, there might not be enough gas to see the state once they got there.

Such fears discouraged not just would be out-of-state tourists, but also in-state residents. Of course, Florida had no monopoly on long lines at the gas station but, because it is a tourism state, the effect was magnified. Simply put, a shortage of gas meant a shortage of tourists which in turn, meant economic hardship for Floridians, on top of the frustration of having to wait in line for gas.

Of course, geography complicated matters even further. In February, the gasoline situation was such that South Florida—the area below Interstate 4 which runs between Tampa and Daytona Beach—was hard hit by fuel shortages, while North Florida had relatively few problems. I mention this only to stress the fact that fuel allocations within the state are often as much a part of the problem as fuel allocation between the states.

Polls taken by the American Automobile Association (Triple-A) tell more eloquently than I can what all this meant for the visitor to Florida as well as the residents. For instance, during the week of February 18-23, of the 278 gas stations polled by Triple-A, 92 were completely out of gas, 99 more were limiting purchases, 159 were closed on Saturdays and almost all were closed on Sundays.

In Dade County—the Miami area—7 of the 16 stations polled were limiting purchases. In Orange County—the Orlando area—12 of the 20 stations checked were limiting purchases and 5 more were out entirely. In Bradenton—on the lower Gulf Coast—7 of the 13 stations monitored were out of gas and none of the 13 was open on *either* Saturday or Sunday. In Hillsborough County, the Tampa area, 5 of the 10 stations surveyed were either out of gas or limiting purchases. And, finally, in the area around and to the south of the Kennedy Space Center, of 37 stations contacted, 20 were out of gas, 13 more were limiting purchases and only 6 were operating on the weekends. With figures like those, the Florida tourist industry was lucky not to have suffered worse than it did.

As it was, the impact on business and employment—the third category under consideration here—was considerable. Statewise, the Florida Department of Commerce's poll of 100 accommodations showed that tourism has dropped anywhere from 8% to 22% since the beginning of December. And in some areas the dropoff was even worse. For instance, in St. Augustine, which is totally dependent on the automobile for its tourist business, has reported a 15% drop and even in the Miami area—which about half of our tourists visit—business has declined 8%-15%.

The tourist attractions in Florida, were equally hard hit.

At Disney World, which has a monthly payroll of $1 million, attendance dropped 8% during the first two months of the year. As a result of the slump, some 1,700 workers were laid off in January, 630 of whom were permanent employees. While some of these were hired back in anticipation of the Easter season, the fact remains that jobs were lost and could be lost again if we do not take heed of the danger signals.

Cypress Gardens, likewise, reported that business was down about 10% from last year. In turn, they cut back on their work force by about 10%.

Attendance at the Miami Seaquarium was down 24.5% for the month of January. Also showing declines that month were: Parrot Jungle—30% and Monkey Jungle—34%.

Lion Country in Palm Beach County got into severe trouble as a result of the energy crisis. Busch Gardens, in Tampa, showed an attendance decline of 30% in February, the NASA Tour Center reported a dropoff of visitor tours of 27%, and two attractions—Rainbow Springs and Sponge-O-Rama—had to close down altogether.

All in all, the Florida Department of Commerce reports that unemployment claims resulting from the energy crisis jumped 9 to 10%. Energy layoffs pushed the December state unemployment rate up 0.3% to a level of 3.3%, and had it not been for the end of the oil embargo, it would have gone even higher.

I could go on with statistics of this type, but rather than do that, let me stress once again that we should not take these figures lightly. At almost anytime, the Arab oil embargo could be reapplied and we would soon find ourselves face to face with a rapidly mounting stack of statistics of an even more gloomy nature. And even if the oil embargo is not reapplied, we must learn to live with the fact that the good old days of seemingly endless supplies of cheap energy are gone forever.

However, I should also stress that conserving fuel and finding new alternatives to deal with energy shortages is in no way inconsistent with the existence of a healthy tourist industry. In fact, such efforts should complement tourism, given American ingenuity, may well make leisure travel an even more enjoyable pastime for millions of Americans.

At this point, I would like to express my appreciation to the distinguished Senator from Hawaii, Senator Inouye, and to the other members of this subcommittee for holding these hearings. From them I hope will emerge the broad outlines of a policy that will reassure millions of Americans that the wonderful word vacation will never lose its charm or meaning.

WAGE AND PRICE CONTROLS

Mr. STEVENSON. Mr. President, on March 26, the Banking Committee voted not to report any economic stabilization legislation. The result is that existing law will simply expire on April 30 unless some action is taken.

The issue, however, is not yet dead. Serious inflation is still with us and most economists predict that more is in store. A way must still be found to protect the economy against a new surge of inflation and renewed pressure for more controls. I, therefore, ask unanimous consent that my remarks before the Banking Committee at its markup session on wage and price controls be printed in the RECORD.

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

REMARKS BEFORE BANKING COMMITTEE ON WAGE AND PRICE CONTROLS

The question is not whether to continue controls—it is how to insure that wage and price controls are ended for good so that the President does not have to come back to the Congress for new controls.

When wage and price controls were first imposed in August of 1971, consumer prices were rising at an annual rate of 4.4%. The hardship inflicted on wage earners, housewives, people on fixed incomes, and others whose incomes were rapidly eroding brought irresistible pressures to erect an economic stabilization program. Wage and price controls constituted a serious interference with the marketplace, but were justified, it was believed, by the spiraling rise in prices.

Today, it is generally agreed that wage and price controls should be ended, except in the petroleum sector.

The danger is that if controls are not dismantled carefully, the forces which led to their imposition will lead to their reimposition.

The nation is suffering the worst inflation since the end of World War II. In 1973 alone, consumer prices rose by more than 9%. By February of this year, they were rising at an annual rate of over 15%. Wholesale prices in 1973 rose by more than 18%. In February, they had risen more than 20% above their levels just one year ago. Meanwhile, real incomes were falling. At the end of 1973, they were 3% below their level at the beginning of the year; at the end of February of this year, they had fallen 4.5% below those of a year ago.

More than 70% of the February wholesale price rise was due to fuels, metals, farm products, and processed foods and feeds. These are basic commodities and their increased prices will show up at each stage of the production cycle.

Their full impact has not yet been felt. Almost 47% of the economy, as measured by the wholesale price index, is still under controls. When they are suddenly lifted, prices will surge upward. Moreover, wholesale prices take time to filter through to the consumer level. When that happens, the pressure to reimpose controls could again become irresistible. If an inflation rate of under 5% was enough to bring about controls in August of 1971, who can say that 15% will not be enough in 1974?

When controls were abruptly terminated at the end of Phase II, inflation was being held to an annual rate of 3.6%. When controls were suddenly lifted, consumer prices exploded and a freeze was imposed. This occurred despite widespread dissatisfaction, even in high government councils, with any form of economic controls. It could happen again.

That is why it is imperative that decontrol be structured in a way which prevents a new surge of inflation and insures that when controls are dismantled, they will not be reimposed again.

The compromise bill which Senator Johnston and I developed was intended to do that. It would provide for rapid decontrol within

six months, but would insure that decontrol is accomplished in an orderly fashion. The transition to a free market—the goal for which we all strive—would be accompanied by increased production of commodities in short supply and price and wage restraint. The President would be given adequate power to enforce promises to increase production and exercise price and wage restraint. The wage earner would be protected with due consideration of his right to cost of living and productivity increases. Most important, this bill would help assure that we have seen the last of wage and price controls.

With a precipitous abandonment of the economic stabilization program, we would be in for a new period of uncertainty. Decontrol commitments will be difficult to obtain, impossible to enforce. Prices will continue their climb; real earnings will continue their decline. All those who cannot readjust their incomes rapidly enough will continue to suffer—and even more than in the past.

This is a wealthy nation suffering declining personal income, rising unemployment, declining industrial production, and an epidemic of shortages. For an already discredited government to simply walk away from controls with no provision for the transition risks the free enterprise system and invites political instability, as well as more economic distress. Instead of returning to a free market, the future is placed in doubt.

The purpose of the compromise bill is not to continue controls; its purpose is to protect those who cannot protect themselves and make possible, this time, orderly and permanent decontrol. The alternative for the short run is to abandon the fight against inflation—and this would, in the words of one distinguished economist, be "grossly irresponsible."

HEALTH CARE CRISIS: NO SIMPLE REMEDY WILL CURE OUR ILLS

Mr. MUSKIE. Mr. President, I am pleased to commend to the attention of the Senate an article by our distinguished colleague from Colorado, Senator HASKELL, on "Health Care Crisis: No Simple Remedy Will Cure Our Ills." Senator HASKELL's article, which appeared in the Denver Post on March 24, 1974, provides an insightful analysis of the problems besetting our health care system.

From his analysis, Senator HASKELL concludes that solving our "health care crisis" will require a "comprehensive, multifaceted solution." He suggests that such a comprehensive national health plan must include many elements, including: coverage against costs of catastrophic illness and health care for those most in need, such as the elderly or low income; varied health care systems; improved medical manpower training and distribution; more aggressive health research; and expanded public health programs.

Mr. President, Senator HASKELL's article is a welcome addition to the congressional discussion about national health policy. I ask unanimous consent that it be printed in the RECORD.

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

HEALTH CARE CRISIS: NO SIMPLE REMEDY WILL CURE OUR ILLS

(By Senator FLOYD K. HASKELL)

Crisis is not a word of which I make casual use. Unfortunately, though, it accurately describes the state of health care in America.

At the outset, let me make clear that I am not saying that we do not have good doctors, or that they are not committed to the well-being of the people. I am proud of the fact that American medical personnel are the best trained in the world. Our nation is far ahead of any other in medical research and technology simply because we have the most capable and dedicated medical professionals.

Still, the health care industry is crisis-beset because of the increasing inability of people all across the country—white, black, brown and red, middle class and poor, young and old—to obtain adequate health care. This is due to a number of distinct, but related problems; high costs, inefficient distribution of physicians among specializations and geographical areas, and an absence of medical care that is designed not only to treat us when we are ill but also to keep us well.

We are all acquainted with the exorbitant cost of health care and health insurance: Health care prices—the most inflationary factor in the general economy—have soared from a total cost of $10 billion in 1950 to well over $90 billion this year. For the average American family, that means that a hospital room which cost $37 a day in 1968 costs over $100 a day now; it means that the average wage earner works one month a year just to pay his health care and health insurance bills. For older Americans, inflation has increased average yearly health expenditures from about $350 just a few years ago to nearly $800 today.

Unfortunately, health insurance, whether private or public, fails to take up the slack for most individuals who need medical care. The old joke is sad but true: The insurance coverage that most Americans have is known as the "Buffalo Plan"—if you are run over by a herd of buffalo, you are fully covered; otherwise you should be either very healthy or very wealthy.

More than 35 million Americans have no hospital insurance; more than 70 million have no diagnostic laboratory insurance; more than 110 million have no doctor's office or home visit insurance that will adequately cover costs.

And neither Medicare nor Medicaid have made a significant impact on this cost crisis. Medicare covers only about 45 per cent of the health care bills of the elderly and, in fact, most older Americans pay more today for medical care than they did before Medicare was enacted. Inflation is to blame. Similarly, Medicaid is a sharply limited program in terms of the number of people covered and the scope of services that are paid for. Medicaid has fueled the rate of inflation in the health industry and the high costs we live with today too often keep people away from the help they need.

The high cost of health care and the growing inadequacy of health insurance unquestionably imposes the most severe burdens on those most in need—the elderly and the poor.

Death and disease rates in the poorest states far outdistance the rates of the wealthier states, and illness generally is twice as frequent an occurrence among the poor as among the non-poor. A poor child has twice the chance of dying before he is 35 than does a child who is not poor—in part because of the fact that in our inner cities there is an average of one doctor for every 12,000 residents, as compared to suburban areas that often have one doctor for every 200 residents.

But the inability to obtain adequate, reasonably priced medical care also is a problem for millions whose income is above the poverty line. Ask any parents where they can take a sick child at nighttime or on a weekend. Ask those who live in the 5,000 communities that have no doctor at all what they do for medical help. Talk to miners and chemical workers who often contract respiratory ailments what they must do to locate a qualified X-ray technician. Ask the average American what he does when he has a stroke and spends three or four weeks in the hospital—at a cost that may equal one half his annual income—and how he will pay for that catastrophe.

How can we solve the health care crisis? Of one thing I have become absolutely convinced: There is no answer to this question.

Providing funds for the education of more medical personnel, or building more hospitals, or even providing a plan to assure the availability of health insurance for all Americans will not individually solve the crisis.

To pour vast amounts of federal funds into the present health care system without any other federal action will only create further distortions in demand, in pricing and in resource allocation without improving the quality of health care or addressing the geographic maldistribution of doctors.

Insurance coverage of all medical payments for all Americans, regardless of their incomes, would exaggerate the failings of the Medicare and Medicaid programs—we would unwittingly contribute to the soaring rate of inflation and, hence, push care yet further from the reach of those who need it most and can afford it least.

And we would be ignoring the special medical needs of the geographic areas that are without physicians, the environmental health dangers that pose special threats to the physical well-being of rural and inner city lower income Americans, and the vital need to provide the financial incentives necessary to assure our people the freedom to choose from among varying forms of health care delivery systems, including the traditional fee-for-service system and preventive care, pre-paid health maintenance systems.

I am especially concerned about the availability of preventive health care systems. We must provide incentives for a health care system designed to keep people well in addition to treating them when they are ill. As a practical matter, preventive health care will go a long way toward keeping the over-all cost of medical care to a minimum because treatment costs a great deal less the sooner we discover a medical problem. More importantly, though, preventive health care will make us a healthier, more productive and happier people.

I am also very much concerned about the distribution of medical personnel. We have an over-all shortage of doctors and we have an imbalance between general practitioners and medical specialists. General practitioners are those on whom we most depend for preventive medical care. Today, we need 50,000 additional general practitioners across the country. Yet last year our nation's medical schools had to turn away nearly 20,000 qualified applicants because there simply was not enough room for them. And in some areas of the country, experts say, there are too many specialists, while in other areas there are too few.

Another element of a truly effective national health care policy will have to be a serious effort to discover and remedy the most serious causative factors of major illnesses and killing diseases.

For example, almost half the deaths of adult males in our society are caused by cardiovascular disease. There is important evidence that smoking, lack of exercise and poor diets, and not a lack of medical care as such, are strong contributors to heart disease.

Another great killer is cancer. For example, nearly 13,000 women a year die from cervical cancer. Preventive medicine must include a broadscale research attack on the causes of these dread diseases.

In the same vein, consider for a moment the environmental causes of ill health, especially those that face lower income Americans. For many of America's poor, housing policy and sanitation are integral elements of any truly effective national health policy.

Of what use is a neighborhood clinic to a child whose brain has been permanently damaged because he ate chips of lead-based paint? Are we fooling ourselves and the rural poor when we provide occasional treatment for children who suffer from dysentery and then allow them to return to a dirty water supply after treatment?

Just two years ago, a Senate committee heard testimony from two doctors who had diagnosed 27 cases of kwashiorkor and marasmus in a Colorado migrant population of 300. These are the most severe forms of protein malnutrition, previously thought to exist only in the underdeveloped world. Food, too, is integral to preventive health care. Americans must be afforded the ability to purchase the food they need, whether through adequate employment safeguards, public service employment if necessary, or otherwise.

The poor must be a principal focus of our national health care plan, but since the crisis spreads itself so far across income ranges, government policy also will have to address the needs of millions of Americans who are not poor—but would be if struck by a catastrophic illness. That possibility is not one that I have just imagined: A recent study by the National Cancer Foundation demonstrated that a catastrophic illness can reduce a middle income family to poverty in less than two years.

Thus, in my view, a meaningful national health plan will have to take several approaches if we are to at once keep costs down (and keep taxes down) and improve the quality and availability of health care.

I think that at a minimum such a plan will have to include the following elements:

Assurance that all Americans have available to them health insurance that will protect them against the costs of catastrophic illnesses, and special assistance to the persons most in need, our elderly and lower income persons, to purchase such insurance. This does not mean that the government should provide insurance for everyone.

Assurance that all Americans have available a variety of health care delivery systems from which they shall be free to choose the one they most prefer, including preventive, prepaid health care programs. This means that the government will have to step up sharply its assistance for Health Maintenance Organizations and the like.

Establishment of a vigorous medical manpower program that will open up space in medical schools to qualified applicants, encourage students to enter fields of study that are presently experiencing shortages, and provide incentives for professionals to practice in geographical areas that are without doctors.

Establishment of a more aggressive program for research into the causes of the worst diseases in America, heart disease and cancer, as well as others that affect the lives of millions, such as arthritis.

Re-establishment of an aggressive public health program that will address itself to the environmental health needs of rural areas, inner cities and migrant populations.

All of this will cost money. But it need not mean more taxes—and it should not mean that.

If we are to address all of the areas I have outlined, we shall have to reorder the general priorities of the nation's budget, a goal that I promised to pursue when I campaigned for the Senate and which I am pursuing.

We shall also have to trim off the waste that presently exists in the nation's health care bill—the waste that is the target of preventive medical care programs.

Finally, we shall have to spread the available resources for health care among the several objectives I have discussed.

I am willing to commit myself to a generous expenditure of the nation's resources in order to improve the health of the American people and in order to stem the strangling rate of inflation in the health care industry. At the same time, I shall do my best to see to it that those resources go where they are most effective and where they will most help the people who are most in need.

Insurance protection for middle class and poor Americans against catastrophic illnesses is unquestionably a national necessity, as is additional assistance for the elderly and those unable to procure ordinary health insurance.

The coverage of health insurance must be improved, and the federal government shall have to put its weight behind an upgrading of the policies available to people. We must begin to aggressively pursue preventive health care through government programs of assistance to those who seek to establish such programs. Research efforts and resolution of environmental crises that cause ill health must likewise be central elements of our national health policy.

The health care crisis is a complex one—it will require a comprehensive, multifaceted solution. Legislative proposals presently before the Senate present a number of different approaches to various elements of the crisis, although none comprehends the over-all program that I have suggested is necessary. Unless our policy addresses all sides of the health issue, we shall have to live with an ever worsening health care crisis.

SUPPLEMENTAL AID TO SOUTH VIETNAM

Mr. ABOUREZK. Mr. President, most Americans have been repelled by our experience in South Vietnam—a misadventure which has caused unparalled woe to the fragile relationship between those in government and those being governed. The unprecedented distrust in the leaders of this country is a direct result of the fraudulent and misleading representation of fact which has emanated from administration spokesmen in recent years—especially in regard to our involvement in South Vietnam.

While it should not be surprising to see lingering elements of this deception continuing today, it is still as repulsive and regrettable—and even more awesomely significant—to see it happen in our very midst today. The cable from Ambassador Graham Martin, released yesterday by Senator KENNEDY, is an illustrious example of the justified cause for mistrust by the American people. This is especially so in light of what the cable said. States Ambassador Martin:

> I think it would be the height of folly to permit Kennedy . . . the tactical advantage of an honest and detailed answer.

In other words, the Ambassador is saying that the truth would very seriously jeopardize administration efforts for additional millions of dollars to prop up the Saigon regime, so let us withhold the truth. Unfortunately, it has been this rationale which has pervaded the standard operating procedure of the Nixon administration in years past. It is to Secretary Kissinger's credit that his superior judgment and foresight enabled a clearer understanding of State Department rationale on the part of the Congress for current American policy toward Indochina.

He should certainly be commended. As for Ambassador Martin, I believe that the Senate ought to carefully review his current status and the circumstances surrounding this incident to determine whether or not he is fit for the position he now holds. This incident together with the Ambassador's recent abrasive attack on the New York Times for its report on U.S. aid to Vietnam does raise some questions.

A recent editorial in the Washington Post stated the situation very succinctly:

> In Graham A Martin, President Thieu of of South Vietnam has a warm friend and a forceful and highly placed advocate, you might say. The catch is that Graham Martin is not the ambassador to South Vietnam to Washington. He is the American ambassador to Saigon.

The Post goes on to say that Ambassador Martin's recent action is a—

> Throwback to the bad old days of one-sided, self-serving over-simplified reporting on Vietnam and, as such, is altogether out of line with the more nuanced requirements of a policy that no longer needs to depend for its effectiveness on misleading the American people.

Considering this recent cable, it would seem that "misleading the American people" remains as the policy in the American Embassy in Saigon.

Ambassador Martin has strongly advocated that we allow the Saigon Government another $476 million in supplemental aid—not only for this year, but for every year in the indefinite future. I believe that this would be a serious mistake. It is a mistake for several reasons. Not only can we not afford to dole out another half-billion dollars to this corrupt regime every year, we simply cannot afford the increased commitment to South Vietnam—militarily or politically.

Recently, several experts testified on the supplemental request for South Vietnam before the Armed Services Committee in the Senate. One of the experts was Mr. Guy Gran who is a research associate of the Indochina Resource Center. Mr. Gran has devoted a great deal of time on the issue of aid to South Vietnam in recent years and offers a rare insight into the question as it faces us today.

Mr. President, I ask unanimous consent that the full text of his testimony before the committee be printed in the RECORD.

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

TOWARD PERPETUAL WAR OR A POSSIBLE PEACE

The Military Assistance Service Funded (MASF) program is the principal overt and legislated channel through which the United States sends military aid to the Republic of South Vietnam (RVN) and to the Royal Laotian government. For FY 74 this program now has a ceiling of $1.126 billion of which $1.022.1 billion is for the RVN. In the supplemental bill under consideration the Nixon Administration wishes to raise the MASF ceiling by $474 million, using pipeline funds, to restore precisely the amount cut by Congress from the original request.

It would be well at the onset to consider that the MASF monies are only a part of the direct and indirect military aid to the government in Saigon. Additional military support results from all the piasters generated by $295 million of commodities under the

Food for Peace program and some if not most of the piasters from the c. $200 m. Commodity Import Program. Additional aid is being channeled through excess defense articles, piaster purchases, and military service money. There is no reason to believe that three decades of covert CIA activities, in Indochina, squandering both their own and DOD resources, with and without legal authority or Congressional knowledge, has come to a halt in FY 74. Finally, the RVN benefits from the American military presence elsewhere in Southeast Asia. An early FY 74 estimate of such costs was $1.1 billion. A recent UPI report contained a DOD estimate that the sum of DOD activities in Southeast Asia would cost $3.4 billion this fiscal year.

The investment of another $474 million requires judgments about political, military and legal realities in Indochina. It also necessitates judgments about the integrity of information concerning such issues released by the Executive branch. I shall argue that the basic political and military arguments advanced on behalf of this level of aid are not supported by empirical evidence. A major portion of the MASF program is not in keeping with the legal provisions of the Paris Agreement. The relevant information released by the Executive is deliberately distorted and incomplete. In sum, our policies are still designed to seek the impossible, the buying of total and permanent political victory with lavish bribery and military force.

INFORMATION IS POWER

These are harsh conclusions. To reach them one must examine both evidence and the manner it comes to light. Most obviously neither the Congress nor the public has much information that should be available. It is monumentally absurd that the justification for this request, for example, should be classified. Classification implies that knowledge by the enemy would imperil national security. All parties in Indochina have a rather clear idea of how much and what kind of American aid enters Vietnam every year. The enemy this Administration is afraid of is the Congress and the taxpayer who pays the bill. That in itself is a damning commentary on the Administration's estimate of the value and persuasiveness of its policies in Indochina. By accepting such a system Congress further weakens its potential for critical examination and effective control. For any critic can thus be dismissed because he "doesn't have all the facts."

One concrete example is quite relevant. DOD would prefer that most of Congress and all independent researchers like myself not know how much MASF money goes to the RVN each quarter. The required quarterly report to Congress is thus kept secret. Woe if the left hand knew what the right were doing. New USAID statistics show that we supplied the RVN with at least $1.5 billion in MASF aid in the seven months prior to the Paris Agreement. By a modest extrapolation, it is apparent that every quarter we perpetuate the present war would cost the taxpayer at least $400 million in direct military aid through the MASF program. The first quarter of FY 74, however, saw $613.3 million spent, a fact which says much about the Pentagon's attitude toward the role of Congress.

Classification depends upon never having to define in an intellectually rigorous fashion the idea of national security. Should that day ever come, the result would provoke a series of legal actions that would make Watergate look like shoplifting from a dime store. In the meantime the Executive cannot, at least, reduce the issue entirely to a series of pontifications that "I have all the facts and you will have to trust me". Instead selected information, supportive of official policy, is released through testimony, news conferences and briefings, and leaks to sympathetic journalists. To put it crudely the intellectual environment is manipulated by propaganda.

Testimony before Congressional committees is a very effective weapon for the Executive. The parade of Cabinet officials and bemedaled military officers has a considerable effect on the viewers. It is hard not to link respect for the position with the incumbent and his ideas. Critical reflection is not the result. DOD Vietnam testimony on the FY 74 budget can be reduced to an endless series of unproved and unchallenged assertions about what the PRG and DRV could and would do and what is legal under the Paris Agreement.

Occasionally a DOD witness was indeed pressed for evidence. The replies came "according to intelligence reports," "our best estimates show," or "DOD lawyers have concluded." I'm not privy to closed session; doubtless you have been shown classified pictures and documents. One tank does not 600 make. More importantly, the intellectual value of such reports is limited. Anyone who watched former CIA Cambodian specialist Samuel Adams testify last summer on the size of the Khmer Rouge force, or who has read news accounts carefully, or studied the literature on the U.S. intelligence community, knows that such estimates are often made on extremely flimsy evidence, must travel through often hostile bureacracies, and are used by witnesses for political rather than intellectual purposes. This is not to argue that DOD estimates are inherently or invariably wrong. It is, however, to suggest that they cannot stand alone as definitive proof of any thesis.

The other favorite forum through which the Administration manipulates Congress and the public is the media. Far too many stories in the most reputable newspapers are based on backgrounders or leaks of material just declassified which journalists accept in abysmally uncritical fashion. For the last year, and doubtless before, the consideration of Vietnam money bills in Congress has coincided with stories of threatened offensives by Hanoi. This bill has provoked a new round and began by a recent story of Drew Middleton in the *New York Times*.

Middleton, citing "qualified sources," provides a long list of precise quantities of weapons and supplies supposedly moving from the North Vietnam to the PRG areas. Careful reading indicates, however, that this buildup has been going on since January, 1973; if the Pentagon had a historian, he would suggest that the build-up began many years prior. The Pentagon report showed that more than 90% of the air defense weaponry and much of the rest are in Quang Tri, a PRG stronghold. That the PRG might be contemplating defending themselves against Thieu's endless encroachments did not occur to the writer or his sources. In another exercise in double standards Middleton lists new and improved roads and bridges in PRG areas in a manner that the reader thinks of them as offensive weapons. Why, then, are the roads and bridges we build in RVN areas always considered as economic development and humanitarian assistance?

In 1974 techniques of selective classification, manipulation, and dissembling are not likely to be sufficient. The Administration and its supporters have also begun mudslinging. If the empirical evidence doesn't support your position, then try to destroy the credibility of the critic. Thus in Ambassador Martin's recent tirade, *New York Times* writer David Shipler is a propagandist, using "deliberate and gross distortions" as part of a Hanoi based plot "to bring influence to bear on selective, susceptible but influential elements of American communications media." The American Ambassador in 1964 didn't like David Halberstam, either.

One trusts that Congress is sophisticated enough to notice that the Administration provides no evidence to support its slander and that if its Vietnam policies were sensible it would not be vulnerable to substantive criticism. As I shall argue, the choices for Congress are greater and more complex than the two in Ambassador Martin's simplistic universe wherein the United States endlessly subsidizes the Thieu government or delivers it into the hands of Hanoi.

THE ADMINISTRATION POSITION

In the course of numerous Congressional appearances and public statements since the Paris Agreement, Administration spokesmen have formulated and reformulated a small number of basic arguments which serve to justify the MASF program and the present level of military aid to RVN. All of these themes are designed to paper over two unspoken and unproven presumptions, that without such aid the government of Nguyen van Thieu would collapse, a result that is not in the national interest of the United States. By not verbalizing such assumptions, the Administration does not have to defend them.

Instead, the following arguments are trotted out on each occasion. The PRG, more or less directed by Hanoi, is endlessly and flagrantly violating the Paris Agreement; our military aid to Thieu is designed to insure the stability of the ceasefire agreement. We must continue to beware of communist plans for aggression; witness the steady infiltration of men, tanks, and other weapons along an improving infra-structure. Any drastic cut in MASF spending would signal Hanoi, unbalance the situation and invite attack. The equipment, supplies, services, and training provided by the MASF program are indispensable to the final stage of Vietnamization which will soon permit the RVN forces to stand entirely on their own. Finally, any reduction in military aid and resultant political transformation would be contrary to the basic United States objectives of worldwide equilibrium and orderly change.

I submit that none of these arguments rests on a sound conceptual or empirical base. Each is designed as part of an edifice that serves to protect a series of myths deemed necessary to the political and psychological health of the current Administration and the nation. This is not the time to explore the costs this government and its citizens pay for such myths. It is, however, apropos to explore the fallacies of the preceding paragraph.

That the PRG violates the Paris Agreement far more than the RVN and is primarily (or exclusively) responsible for its failure has been the core argument carefully nurtured by Saigon and Washington spokesmen since January 27, 1973. Such spokesmen have successfully manipulated most uncritical journalists and headline writers and doubtless a majority of the public as well. Few journalists travel out into the rural areas and interview participants to determine the precise circumstances of each incident. Thus more stories than not begin "Saigon spokesmen reported". Restrictions placed on journalists, classification of embarrassing material, and intimidation of potential witnesses by U.S. and RVN authorities also work against an objective record.

Not all Saigon correspondents and American editors can be easily seduced. A careful examination of the last years press reports show a consistent pattern. Those stories based on investigative journalism rather than official hand-outs almost always revealed some evidence that the provocateur of the ceasefire violation was not the PRG but rather the RVN. Excerpts from more than one hundred articles were assembled recently in a compendium by the Indochina Resource Center. The reader can examine the primary evidence and draw his own conclusions.

This is not to argue that the issue is black

and white, that the PRG never violates the Agreement. The PRG does respond with violence to RVN nibbling operations, does move against RVN outposts which intrude in basically PRG areas and does occasionally carry out punitive raids in response to extreme provocations like the RVNAF terror bombing of Loc Ninh, the PRG capitol in late November, 1973. In addition local PRG units do respond to pressure with pressure and do take initiatives with sometimes irresponsible and tragic results; the mortar shell in the school yard at Cai Lay comes recently to mind.

But the sum of these military actions is not the coherent plan of aggression Saigon and Washington paint. It is instead the RVN for whom one can document a steady stream of military operations to gain rice, people, and territory. One can also document some remarkably candid comments by Thieu and other RVN leaders outlining their general policies and attitudes toward the Paris Agreement. The clearest indication of the absurdity of the Administration position is, however, this simple reality. In PRG areas the Paris Agreement is disseminated and discussed everywhere; in RVN areas it is forbidden to be printed or distributed.

If it is demonstrably the RVN which pursues the consistent policy of aggression, our aid to Thieu cannot logically be said to be insuring the stability of the ceasefire. Since January 27, 1973 there have been 120,000 to 150,000 Vietnamese casualties. To use a word like stability at all is nothing less than Orwellian newspeak. What U.S. military goods and services do accomplish was summarized very clearly in a *New York Times* review article recently, an article of such value that I add it as Appendix A to this testimony.

These valuable military goods and services have a sharp political impact. They are indispensable to the South Vietnamese Government's policy of resistance to any accommodation with the Communists. Militarily, the extensive aid has enabled President Nguyen Van Thieu to take the offensive at times, launching intensive attacks with artillery and jet fighters against Vietcong-held territory.

Furthermore, the American financed military shield has provided Mr. Thieu with the muscle to forestall a political settlement. He has rejected the Paris Agreements provision for general elections, in which the communists would be given access to the press, permission to run candidates and freedom to rally support openly and without interference from the police.

Mr. Thieu has offered elections, but without the freedoms.

It is this basic stalemate which has forced the PRG to military measures, to maintain at least modest pressure while waiting to see if Thieu's own internal economic contradictions destroy him.

The Administration's third and most ancient argument is that we must guard against incipient aggression by Hanoi. The evidence isn't there. Captured COSVN documents on 1974 PRG strategy, a portion of which were leaked to the press in early January, speak at most of limited military pressure and maintaining unhindered supply routes. The *Baltimore Sun* article adds a typical fabrication—"A further goal intensified attacks on selected areas in government-controlled territory." Given the political values of all those who work with the material between their capture of the documents in Vietnam and the publication of selected ideas therefrom in this country, especially the abysmal track records of longtime partisans in the intelligence community like William Colby and George Carver, this kind of presentation is not at all credible. If the Administration wants to make a really believable case, let it collect *all* of the *original* documents that are relevant in one place and permit independent scholars to make separate studies. Let the Administration also lay bare the precise methodology it uses at each step. That neither of these things happen is a considerable commentary on both bureaucratic will to power and the intellectual vulnerability of the Administration position.

Even if the Administration now produces damning new evidence, as Ambassador Martin threatened to do, it still must deal with physical realities and the conclusions of the North Vietnamese National Assembly. Both the PRG and the DRV are simply too poor in resources to sustain a major attack over any period. The DRV has just made a basic decision in favor of economic reconstruction and social renewal. In this effort they are apparently quite dependent on outside help. Thus military plans for the South have been limited to enough support to maintain the status quo. In sum, unless conditions change drastically, there will be no major offensive.

If there is not an imminent offensive, what is one to make of the infiltration of men and material the Administration is constantly pointing to? Troops have been going from DRV to PRG areas, perhaps as many as 70,000 in the last year if one gives credence to undocumented Administration claims. At the same time it was recently revealed that 40 to 50,000—mostly sick and wounded—have been allowed to return North. Given the meager reliability of such figures, one can only conclude that the infiltration rate is far below the rate which presaged the 1968 and 1972 offensives. If there is a surplus going South, it violates the intent of the Paris Agreement. However, by the RVN's own recent figures, its soldiers have killed 46,668 communists in the last year. The Agreement permits one-for-one replacement. The Administration's position is thus valid only for those who cannot add and those who insist that the PRG alone must abide by a ceasefire that does not exist.

I will agree that the current public evidence would indicate that the number of tanks, anti-aircraft installations, and pieces of road-building equipment in PRG areas has increased in a year. Tanks are normally an offensive weapon. One wonders how the Administration could document each of the 600 it claims have infiltrated since the Agreement. How many of these tanks belong to the PRG pre-ceasefire buildup comparable to the billion dollar war chest we lavished on the RVN in late 1972? It does take longer for a PRG tank to arrive than an RVN F5A. Some of the subsequent tanks are surely replacements for destroyed vehicles. The rest are indeed violative of the Agreement and designed to provide the PRG with a credible threat, certainly far less than what its opponents are up to.

Given the beleaguered condition of the PRG territory anti-aircraft weapons are predictable. Does the Administration expect the PRG to suffer daily raids by RVN Skyraiders and A-37's in silence? Given the fractionated nature of PRG territories would not any normal government begin to consolidate its territories by building roads? Especially given the presence of an aggressively hostile million man army chewing away at one's territory? In any case, where in the Paris Agreement does it forbid the building of roads? Physical evidence does not, in sum, have to be viewed solely through the political perspective of the Administration.

A fourth Administration argument, that a drastic cut to Thieu would signal Hanoi and unbalance the situation, is a masterpiece of sophistry. Any level of aid to Thieu sends a plethora of signals to all concerned. The preeminent signal to Hanoi now is that the United States is willing to subsidize infinite aggression by Thieu. A cut in military aid that ended such behavour would be taken by Hanoi as a gesture that the United States was really interested in the peaceful settlement of the Vietnamese conflict envisaged by the Paris Agreement. The deletion of the present $474 million supplemental would be at most an augur of that policy. In the meantime one cannot speak of and the Agreement did not intend, the present as stability. Such a stability may be acceptable to the Administration, but 120 to 150,000 Vietnamese dead or wounded in a year is not a form of stability the Congress should wish to share responsibility for.

The Administration raises two further arguments. One is that the MASF program is imperative to the final stage of Vietnamization. The program is imperative, but it is imperative only to the scale and type of war we have insisted that the RVN pursue. This was a function of our technological choices and political goals. Total Vietnamization is a myth. It is very clear from the recent New York Times article, my Appendix A, or from any close examination of the RVN budget figures, that the United States will pay $1.5 to $2 billion a year for military aid to the RVN for many years to come if it persists in present policies. RVN personnel will not soon, if ever given their lack of motivation, be able to take over the highly technical military jobs now held by DOD contract personnel. The RVN cannot ever conceivably generate sufficient domestic resources to finance the ammunition and ordnance intensive style of warfare it was accustomed to by the United States. After thirty years we are still trying to make up for lack of political persuasion by military force.

The final and most general Administration argument revolves around the notions of worldwide stability and orderly change.

As Elliot Richardson put it last year, the United States must honor its obligations because of the "essentially psychological" "structure of international stability". Such a world view subsumes too many faulty and self-serving perceptions of modern history to be fully dealt with here, but a few comments are in order. This refurbished domino theory presumes incorrectly that Secretary Kissinger's idea of world stability is good for the United States and its allies. What is good about it for the penniless slum dweller in Saigon or New York? In a world of finite resources and environment the tiny population of the United States enjoys a vastly disproportionate share of the world's wealth and struggles to maintain its position. At the same time the MNC's are busy teaching the have-nots the pleasures of having. It is quite apparent that the interests of the MNC's, the United States, and the Third World are in many ways mutually antipathetic. If the Administration wishes America to become something other than an ever more beleaguered bastion of wealth, it had better put far more resources and effort into the institutionalization of the substance of change rather than the rhetoric of stability.

THE MILITARY AND POLITICAL SITUATION

If the MASF program can only be justified by such suspect documentation and uncompelling rhetoric, one can well imagine how and to what ends the program operates in the field. As presently constituted the MASF program is broken down into three budgetary categories. Under procurement we provide weapons, vehicles, ammunition, air ordnance, and aircraft. Of the aircraft 116 F5A's are really for MAP countries from which the F5A's were borrowed in late 1972, and the rest are 71 new F5E's for the RNAF. Under operations and maintenance we provide diverse supplies, contract operations, training, shipping and variety of small programs including police support. These two giant categories are each about half of the MASF program; some $40 million in personnel support, uniforms and rations apparently, forms a third category.

The United States is, of course, quite successful in the physical process of delivering

equipment. One Pentagon official recently admitted "we shipped so much stuff to South Vietnam in the two months prior to the cease-fire, plus what went since, that a large new resupply of tanks, artillery pieces, and planes would only sit around the docks in crates." The problems develop once the material reaches the shores of Vietnam. From there on are the ubiquitous and endless signs of futility, waster, stupidity, and tragedy which indicate as clearly as ever that the present political goals are still perpetuating an impossible task for the American and RVN armed forces.

Ammunition is by far the largest component of the MASF program, almost $300 million of the $554.8 million spent on the RVN forces during the first quarter of FY 74. The high expenditure rate is partly political; if much ammunition wasn't used, it would be much harder to convince the American Congress that there was a war on that still needed support. The high rate is, however, primarily a function of the tactics of Vietnamese commanders who need to look busy without losing men. An illuminating report of the results appeared last summer.

The South Vietnamese were reportedly expending vast quantities of artillery ammunition in what is known here as "H and I fire" (for harassment and interdiction). This is a form of artillery firing in which there is no specific target. But shells are pumped into a general area in an attempt to reduce enemy activity there. . . .

American sources say they have learned that in Indochina, the more guns and ammunition are available, the more the armies in the field will use them.

"After we cut down the ammo supply," one well informed officer said, "we found out that the South Vietnamese were still outshooting the enemy by 20 to 1, but the overall total was that much lower."

The Pentagon has not, however, imposed any *meaningful* limits, for it is confident that it can ignore authorized levels and return to Congress later for supplemental requests. The situation has not changed since last summer. James Markham toured PRG areas in mid-February and found random harrassment shelling of civilian areas everywhere he went.

About half of the MASF program thus goes to a wasteful and essentially meaningless exercise attempting to terrorize Vietnamese who choose to live in PRG areas. Little territory is won, and the RVN knows that it is incapable of military victory. Instead a vast million man bureaucracy rolls on, filling its institutional imperatives in its most culturally acceptable way—violence. That violence is a cultural norm, that children and even young adults have never known peace, is perhaps even more tragic than the incredible waste of resources and labor.

Another enormous portion of the MASF program is occupied by the supply and maintenance of aircraft and other complex technological hardware. Leaving aside for the moment the legal implications of operation and maintenance, consider the future potential of this operation. The U.S. has never Vietnamized logistics; about 1,150 DOD contract personnel still run the basic logistics effort for the RVN forces. It is conceivable that over a decade Vietnamese could handle most of these tasks, given the pay incentive and motivation necessary. But these are unlikely, and, the potential for corruption would be so enlarged that the system itself would be severely jeopardized.

It is in the maintenance of aircraft that the basic contradiction of the MASF program are most clearly illuminated. We are supposed to be teaching the Vietnamese how to take care of the extremely complex aircraft engines we have given the RVNAF. A Vietnamese is intellectually as capable as anyone, but the culture of war destroys both ability and interest in learning. New York Times correspondent David Shipler pinpointed two factors: profound war weariness wherein the pressure for peace blankets any other desire, and resentment over wage differentials where Vietnamese get $10 to $35 a month and Americans up to $1,000 a week working in the same plant. These are impossible conditions to overcome, and even under unreachable ideal circumstances many of these jobs take at least five to ten years to develop sufficient expertise. The American military aid program is thus a potentially permanent operation.

The MASF program entails a number of other less expensive activities most of which are cloaked in considerable secrecy. One that is both morally reprehensible and politically counterproductive in the extreme deserves brief attention here. That is the ongoing American support of the police and prison system of the RVN. At this point in time the dollar amount of direct support may not be great; AID general counsel says that AID is no longer channeling police commodities funded by the MASF program (c $9 million in FY 74). Little, however, prevents DOD from direct grants, or from using the CIA. Little also prevents the budgetary subsidies provided by the PL 480 and CIP programs to end up as police support.

Neither the explicit prohibition of the Paris Agreement nor the even more precise language of SEC 112 of the FY 74 Foreign Aid Appropriation Act (PL 93-240, January 2, 1974) seem to be deterring the Administration from this most profound intrusion in internal Vietnamese affairs. The January study mission of the conservative American Security Council wrote "a handful of U.S. civilian technicians continue to provide advice in the operation of a newly installed computer system which keeps tabs on more than 10 million South Vietnamese." David Shipler's research uncovered these current practices:

. . . South Vietnamese National Police continue to receive regular advice from Americans . . . two high-ranking officers said they and their staffs met frequently with the Saigon station Chief of the C.I.A. and his staff. Sometimes, he said, the C.I.A. Chief asks the police to gather intelligence for him, and often they meet to help each other analyze the data collected.

A police official confirmed that in some provinces "American liaison men" who work with the police remain on the job . . . Local policemen still refer to "American police advisers."

This is not an academic issue, for the police are not an apolitical force. They are an essential part of the apolitical and military apparatus which Thieu uses to suppress all opposition, not simply the communists. It is not merely that this represents total abrogation of the Paris Agreement. It is not merely the gross inhumanity of arresting and abusing tens of thousands of political prisoners. It is the political result. With no opportunity for peaceful political resolution of conflicts as the Paris Agreement called for, opponents of Thieu are forced to return to methods of violence.

The war in Vietnam, and the enormous MASF program which fuels it, are not proceeding on the present tragic and expensive path without guidance. Both President Nixon and President Thieu have equated their personal honor and their national security with the survival of the latter. If there were peace, Thieu would have to demobilize much of his military manpower. This is a dire economic necessity for any real future as an economically independent state. But in so doing, Thieu would lose the tight socio-political control he now enjoys over all government employees. If his policies represented the needs of the majority, he could stay in power. But Thieu represents the interests of a wealthy minority; to abandon the economic interests of his closest supporters would end his career abruptly. The only solution is enough war ("no peace, no war") to avoid the dilemma.

The deletion of this $474 million in supplemental aid would not seriously deprive Thieu. It would leave him a little shorthanded at worst. More importantly, it would communicate a message from the United States Congress that the American people are not going to pay $2 to $3 billion a year forever so that Thieu does not have to come to terms with the political and economic needs of his own people. Such a message at this point in the year would give Thieu several months and considerable incentive to prepare for peace. The Administration, by its FY 75 request of $1.6 billion, is quite willing to pay the price; 120,000 Vietnamese casualties a year is not too great a moral burden for the Executive branch. I do not think that the American people have the same set of moral standards and fiscal priorities.

THE LEGAL SITUATION

Thirteen months after the signing of the Paris Agreement, the Administration and a majority of Congress, the media, and the public consider it a dead letter. This is a considerable tribute to the Administration's propaganda campaign. In operation before the ink was dry, the Administration plan proceeded simultaneously along two paths. Secretary Kissinger and other spokesmen created a fundamentally novel interpretation of various key phrases and passages which in sum came to mean that the United States could continue any kind of aid or interference it wished that was not explicitly proscribed. At the same time the Administration and the RVN orchestrated the charge (previously addressed) that the PRG was continuously violating the Agreement; then, when caught in blatant violation, the Administration was in a position to and did argue that the Agreement was thus essentially inoperative and the United States was not bound to abide by it.

This successfully disposed of the Paris Agreement in the United States, but not in Indochina. The PRG and its supporters knew that the United States was legally bound not to interfere in the internal affairs of the Vietnamese. How such words applied to the anomalous situation wherein one state is essentially an economic parasite of another, was unhappily not spelled out in the Agreement. The only area of precision was in military aid. Article 7 permits piece-for-piece replacement "of armaments, munitions, and war material". It is to this phrase and its application to the MASF program under consideration here that I shall limit my legal argument.

Certain international commissions were designated by the Agreement to define the permissible military items and supervise their arrival. This did not happen so in the early spring of 1973, DOD created its own list. This list defined 13 categories of "armaments", 8 categories of "munitions", and 8 categories of "war material." Taken together these 29 categories correspond almost precisely to those items which appear under the DOD category of procurement. The Paris Agreement, by DOD's own interpretation, limited American aid to procurement items.

This list was picked up in Saigon by Senate staff members and was incorporated into the Committee Report of S. 1443 (The Foreign Military Sales and Assistance Act). This bill was passed by the Senate but the Vietnam provisions died in conference. It would not be inappropriate to attempt this legislation again for the situation has not changed. Indeed, after endless denials in many FY 74 hearings, one DOD lawyer was finally pressed to discuss precisely what the Paris Agreement did and did not allow.

His response was a marvel of the bureaucratic mind in an impossible legal dilemma.

Mr. Forman . . . under the bill passed yes-

terday (S. 1443), the executive branch would be limited to furnishing only armaments, munitions, and war material. Now that is a category of equipment and supplies far more narrow than the terminology in the statute which applies to other countries, namely defense articles and defense services. The words, "armaments, munitions, and war materials" were taken from the peace agreement signed in January. *Those words, as defined by the Department of Defense for the purpose of complying with the peace agreement*—the definitions are set forth in the Senate Foreign Relations Committee Report, pages 26 to 27—*do not include* . . . the contract services which we are providing to the Vietnamese with civilian personnel. It does not include spare parts on consumables. It does not include subsistence. It does not include petroleum products . . . we couldn't provide overhaul and repair services.

DOD has developed here an essentially schizoid position. In one universe was the Paris Agreement with DOD dutifully supplying a law abiding definition of the parameters of its activity. In another quite separate universe is the actual operation of the MASF program continuing quite as though the Paris Agreement had never happened. Such a clever semantic voyage, linking the bureaucratic imperative of survival and the political goals of the Administration, should not, however, succeed in drawing attention away from the main point.

More than half of the MASF program is not in keeping with the Paris Agreement. Neither are the activities of the CIA or the indirect military subsidies provided by the Food for Peace and Commodity Import Programs. The elimination and or restructuring of these programs cannot be done without political changes Thieu and the Administration are most unwilling to make. The way out of the legal dilemma, the financial drain, the moral vacuum, and the politics of repression are all to be found in the accommodations envisaged in the Paris Agreement. There is no other path to peace.

CONCLUSIONS AND RECOMMENDATIONS

The Administration approaches the issue of military aid to the RVN with an air of inevitability entirely unjustified by the realities in Vietnam. Secretary Schlesinger describes a cease-fire that has not worked as well as he had hoped, as though this process happens in some remote world we have no control over. He speaks of inflation as though the American taxpayer could care less about taking up the further burden. He describes needed program readjustments as though these were justifications for the program. He hopes that Congress will simply push the funds through to get the issue out of the way. I hope that this Committee will accept Secretary Schlesinger's initial challenge early this year to examine critically all of the assumptions and programs in the enormous defense bills now before you. The MASF program would be an ideal place to start.

I would like to close with these formal recommendations.

(1) that the language and the additional spending authority for the MASF program be deleted from the supplemental bill

(2) that in lieu thereof the following language be inserted:

"None of the funds appropriated herein, none of the funds heretofore appropriated, and none of the local currencies generated as a result of any legislated program may be used by any department, agency, or employee for the support of military or civil police in South Vietnam, for the support of Vietnamese court and prison systems of any kind, and for the support of surveillance, identification, and computer training activities in South Vietnam related to police, criminal, or prison matters."

(3) that the appropriate Committee(s) of Congress undertake a serious review and field investigation of the aspects of the MASF program raised herein before a decision on FY 75 funding levels is taken.

NEW TOP LEADERSHIP NEEDED AT THE VETERANS' ADMINISTRATION

Mr. CRANSTON. Mr. President, on Friday of last week, Vietnam Veterans Day, I submitted lengthy remarks on the floor regarding the tragic inadequacy of many of our benefits and service programs for returning veterans. I noted that the VA had failed totally to provide the moral leadership needed to awaken the Nation to its responsibilities to provide justice for those who served their country in time of need.

Today, Mr. President, I received an extremely sad letter from Dr. Marc J. Musser, Chief Medical Director of the Veterans' Administration for the last 4 years, explaining, in response to my request to him, the circumstances which brought about his decision to resign as Chief Medical Director less than 3 months after he had accepted reappointment to that position for a second 4-year term. Previously, Dr. Musser told me that he had signed his retirement papers March 22 because "my effectiveness as medical director has been compromised and undermined." His retirement will take effect April 15. Dr. Musser was named to a second 4-year term January 5.

Mr. President, I ask unanimous consent that the full text of Dr. Musser's letter be printed in the RECORD.

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

MARC J. MUSSER, M.D.,
Washington, D.C., April 3, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: In response to your letter, I must regretfully confirm my retirement from the Veterans' Administration on April 15, 1974.

As I think you are aware, this decision was neither easy nor of sudden origin. Take last year, when the end of my four year appointment as Chief Medical Director of the Department of Medicine and Surgery was forthcoming and the question of reappointment was raised, I was forced by a variety of unpleasant circumstances to conclude that my effectiveness as Chief Medical Director had been sufficiently compromised and undermined as to make untenable any consideration of acceptance of a reappointment. However, upon the intervention of Mr. Melvin Laird, then Domestic Counselor to the President and Dr. James Cavanaugh, Assistant Chairman of the Domestic Council, who stressed the critical importance of my continuing leadership of the Department of Medicine and Surgery, I reconsidered and accepted reappointment for four more years. During the course of these negotiations, I think Mr. Laird wrote you in regard to the agreements which had been reached between him, the Administrator of Veterans' Affairs, and me. These agreements were further refined in subsequent conferences with Mr. Laird and Dr. Cavanaugh.

In my letter of acceptance to the Administrator, dated November 21, 1973, I stated these agreements as follows:

1. That the Chief Medical Director will have full authority to operate the Department of Medicine and Surgery in accordance with existing statutes and in proper relationship to the Administrator of Veterans' Affairs.

2. That the Chief Medical Director will have the authority to recommend for the Administrator's approval appropriate assignments to the staff of the Department of Medicine and Surgery and that these staff members will be responsible to the Chief Medical Director.

3. That Dr. Benjamin B. Wells will remain as Deputy Chief Medical Director for an indefinite period.

4. That Mr. Ralph T. Casteel will remain as Executive Assistant to the Chief Medical Director for the immediate future.

Subsequent events, however, have been most discouraging to me, and have made it clear that the basic conflict between the Administrator and me is incapable of resolution. This is all the more distressing with the realization that during the first three years as Chief Medical Director, I enjoyed an exceedingly pleasant and productive relationship with the Administrator. In that period, much was accomplished to improve the medical care of American veterans. However, I have always believed that when one finds he can no longer work constructively and in harmony with one's boss, one has no choice but to get out.

Thus, once again, and in spite of all that has gone before, circumstances have forced me to conclude my authority and effectiveness as Chief Medical Director have been nullified for all practical purposes.

Totally dependent as the Department of Medicine and Surgery is upon the Controller, General Counsel, Office of Personnel, and the Office of Management and Planning, all under the direction of the Administrator, the assistance and support they must provide cannot be counted upon in the presence of an antagonistic and uncooperative Administrator. The loss of seven key Departmental officials (six physicians) has seriously jeopardized the ability of the Central Office elements to fulfill their responsibilities. The infiltration of the Department by personnel selected and appointed by, and with direct access to, the Administrator has virtually eliminated any possibility of functional integrity within the Department. The imposition of tighter and tighter management controls and surveillance have deprived the Department of the flexibility it once had, thereby seriously limiting its ability to deal quickly with new and unexpected needs and problems.

When finally I was able to obtain approval of a Director of my Management Appraisal Staff, I was required to accept a man chosen by the Administrator as the Deputy Director. On February 25, 1974, I formally recommended to the Administrator my selection for Deputy Chief Medical Director. To date, no response to this recommendation has been received.

I trust the new Chief Medical Director will either not be faced with problems of this nature or will be able to resolve them rapidly.

Finally, I would like you to know how much I have appreciated the sustained support and consideration you have given to the Department of Medicine and Surgery—in the interest of better medical care for American veterans—during my tenure.

Sincerely,

M. J. MUSSER, M.D.

Mr. CRANSTON. Yesterday, Mr. President, I issued a statement, which I am reiterating for the benefit of my colleagues today, announcing that the Subcommittee on Health and Hospitals, which I chair, of the Veterans' Affairs Committee, will conduct a full inquiry into the circumstances that led the Chief Medical Director to resign from the Veterans' Administration just 3 months after his reappointment. These hearings, which will begin April 23, will probe the

basic control and direction of the VA's Department of Medicine and Surgery over the past year. Veterans' Administrator Donald E. Johnson will be called to testify under oath, as will Dr. Musser and other former top VA officials whom Mr. Johnson has forced out.

Mr. President, these hearings had originally been scheduled for last October after Mr. Johnson, over Dr. Musser's objections, imposed a total reorganization on the Department of Medicine and Surgery and appointed, over Dr. Musser's objections, a so-called Associate Chief Medical Director for Operations—a position unauthorized by statute—which he filled with a layman who has consistently run to the Administrator behind Dr. Musser's back, undercutting him and undermining his authority and effectiveness as the head of the Department, and seven new Directors of Field Operations, five of whom were laymen, created by his reorganization. I postponed the hearings when, following months of intercession at the White House by me and Congressman OLIN TEAGUE of Texas, the ranking majority member of the House Committee on Veterans' Affairs and until 1972 its chairman for 18 years, Dr. Musser's reappointment was finally directed by the President himself.

Mr. President, I ask unanimous consent to print in the RECORD at the conclusion of these remarks a full documentary history of the original scheduling of these hearings and the apparent settlement of the matter made last October, including a very lengthy and detailed letter which I sent, in draft at White House request, to Melvin Laird, then Domestic Counselor to the President, on October 11. This letter and most of this correspondence has not previously been made public because of our very strong desire to retain the able leadership which Dr. Musser has provided for the Department of Medicine and Surgery over the last 4 years. Instead, now—almost 6 months to the day after Mr. Laird's reassurances to me in his October 5 letter—a man universally recognized by the medical community as an extremely capable, compassionate, dedicated professional, nonpartisan in his approach to medical matters, has been driven out of the VA by Mr. Johnson.

Mr. President, over the last several months, Mr. TEAGUE and I have been in frequent contact with the White House on the continued deterioration of the situation confronting the Chief Medical Director. I have been in personal contact with the Vice President and, most recently, with James H. Cavanaugh, associate director of the President's Domestic Council, in an effort to save the situation

Congressman TEAGUE and I have had interpreted Dr. Musser's reappointment on January 5 as a sign of a truce in Mr. Johnson's war of attrition. But in discussions with Dr. Musser which I initiated, he told our staffs early last month of the "intolerable situation confronting him" and of his intention to resign. He also informed Jim Cavanaugh of this orally on March 14 and by letter on March 22.

Mr. President, this brings me to the question of the continued reign as the head of the Veterans' Administration of Donald E. Johnson. Yesterday "Tiger" TEAGUE issued an absolutely unprecedented blistering attack on Mr. Johnson's "incompetence" as Administrator and called for "a change in the top administration of VA." I joined him in this plea.

In his statement, Mr. TEAGUE said that Mr. Johnson's "failure to deal effectively with the agency's problems has brought morale in the VA to the lowest point that I have seen it in 25 years." Twenty-five years' perspective is tough to beat. Based on my 5 year's, there is no question in my mind of the accuracy of that description of the depths of VA morale at this time.

Mr. President, for the benefit of all my colleagues, I ask unanimous consent that there be printed in full in the RECORD at this point Mr. TEAGUE's extremely pointed and thorough statement released yesterday.

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

STATEMENT BY HON. OLIN E. TEAGUE

Congressman Olin E. Teague, Ranking Democratic Member of the House Veterans Affairs Committee, and former Chairman of that Committee for 18 years, in response to the President's message on veterans affairs delivered Sunday, made the following statement.

"The President is being completely misinformed about problems in the Veterans Administration and the source of these problems. The Agency does not need more studies. It needs a change in top level management. I can see little in the actions proposed by the President which will be of benefit.

"The problems of the Veterans Administration and its programs are directly traceable to the incompetence of its Administrator, Don Johnson. The President's action in appointing the VA Administrator to conduct an investigation of late delivery of veterans' education checks and a review of the medical program is something like putting the fox in charge of the hen house. It would appear that the Administration would by now have had enough of self-investigation.

"The serious problems in the Administration of the veterans education and training program are the direct result of Johnson's incompetence. He appointed a Director of Education with no background or experience in Veterans Administration programs. The individual appointed as the Deputy Director of the education program had no background in the administration of veterans program, and reportedly was appointed on a political basis.

"The President referred to establishing a crack management team to take a hard look at the services the Veterans Administration provides. A good place to start would be the Director of Planning and Evaluation of the Agency who is supposed to perform just such a function. That individual was brought to the VA from CREEP shortly after the November election. Career personnel were shuffled around to make a job for this individual and this resulted in one of the agency's most competent men being removed from a key spot where he supervised the computer program for education.

"It certainly is not reasonable to expect anything constructive from Administrator Johnson's investigation of the medical program. He has done nothing during his five years in office but obstruct attempts to improve VA medical services. For several years he has appeared before the Appropriations committees of the Congress and opposed any attempts to add funds to the medical program and contended that no additional funds were needed. Despite this, Congress in the last several years has added about one-half billion dollars to the appropriations for veterans medical services. At one time the nurses in the Veterans Administration hospitals at Portland, Oregon, Miami, Florida and some hospitals in the New England area threatened to walk out because of the shortage of funds, equipment and needed personnel. Congress made funds available over Johnson's protests, and later directed that he add 1,000 nurses to the system. Johnson has completely wrecked the leadership of the Department of Medicine and Surgery. Last fall he began a calculated campaign of harassment against the Chief Medical Director, the Deputy Chief Medical Director and the Executive Assistant. Presidential Counsellor Mel Laird interceded and Dr. Marc J. Musser was reappointed for another four year term as Chief Medical Director. Despite White House intercession, Johnson has continued his harassment of Dr. Musser and this led to Dr. Musser's decision several weeks ago to resign. Johnson's harassment of Dr. Musser was brought to the attention of the White House in late February. The Deputy Chief Medical Director resigned several months ago and the medical program is now without leadership.

"In an effort to assure adequate staffing in Veterans Administration hospitals, Congress passed a law directing certain staffing improvements. This met with strong objections from Johnson who contended that such specific legislation was not necessary.

"The kinds of staffing deficiencies which Johnson has failed to recognize is exemplified in a condition cited by the Director of one of VA's major hospitals. The Director stated: 'What happens at this hospital should not be permitted to continue. For the past several weeks we have been operating at almost absolute capacity. On the weekend and holiday recently observed for George Washington's birthday the wards were crammed with patients and the Admitting Office saw almost as many patients on Monday, February 18th, a holiday, as they did on Monday, February 11th, a nonholiday. The nurse on duty in the admitting area was busy drawing blood, taking laboratory specimens, doing EKG's, while the office force was the usual skeleton holiday crew. The staff on wards throughout the hospital for the 3-day holiday weekend was a barebone minimum, i.e., one nurse and one nursing assistant for a 41 bed ward with more than 10 incontinent patients, etc., etc. Limited laboratory staff was available with others on standby or call back and with similar arrangements for radiology, cardiology, etc. For the three days with all wards busy providing patient care there were no clerical personnel to help the physicians and the nurses who had to answer their own phones, complete their own paperwork and records, run errands, etc. Perhaps at a small, quiet, relatively inactive hospital the VA could get away with this sort of thing but for these conditions to exist here is both tragic and dangerous.

" 'By being able to schedule the expanding ambulatory care and outpatient activities over a 7 day period we could more easily manage the current chaotic peaks and valleys which at times completed crush our physical facilities and tax our limited staff to the utmost. From comments with my colleagues at similar hospitals to this one, they share my views.'

"Similar conditions in the VA medical program have repeatedly been called to Administrator Johnson's attention and others in the Administration from many sources including the House Veterans Affairs Committee. However, Johnson has repeatedly ignored

all such suggestions to improve veterans' care.

"Against this background, the President apparently expects Administrator Johnson to conduct an eight week investigation into problems of the medical program.

"The fiasco in the delivery of checks to veterans and schools has been well known to everyone for the last year. In March the House Committee on Veterans Affairs wrote to Johnson and stated. 'It is becoming increasingly apparent that there are not sufficient staff available in the field offices to handle the administration of the education program . . . we would appreciate being advised at the earliest possible time, and no later than March 1, as to your estimates of needed additional personnel for the improvement of this program.' In response to this query, Johnson stated, 'We do not believe more people at this time would solve our problem. Additional staffing requires a minimum of six to eight months' training before it becomes productive . . . therefore, it is our opinion that a request for more people in the benefits area is not warranted.' Within the last week, VA queried the Directors of its field offices and asked what additional personnel would be needed to get the education program on a current basis. The Directors responded by requesting over 1500 additional personnel, additional equipment and many programming changes.

"As the President indicated, press representative Sara McClendon had no difficulty determining that the education program was in trouble, but at this point, there is no indication that Administrator Johnson either perceives the nature of his problems or knows what to do about it. Now he is being directed by the President to make a self-investigation and report on his own failure to properly organize and administer his Agency. Obviously, very little can be expected from such a self-investigation.

"The President reiterated his recommendation for an 8% increase in education benefits. He neglected to advise the public, however, that Congress is already working on this matter, and on February 19, by a vote of 382–0, the House of Representatives passed a bill which would increase education assistance allowances by 13.6%, the amount necessary to bring rates in line with increases in the consumer price index since the last increase.

"We are puzzled that in any survey of veteran problems the President would neglect to mention the need for cost-of-living increases for service-connected disabled veterans and survivors. An increase of approximately 15% will be required to adjust these payments to changes in the consumer price index since the last increase. We have completed Subcommittee hearings on this subject and expect to mark up the bill this week.

"The President also spoke at some length in his radio message about the plight of Vietnam veterans in securing jobs upon their return to civilian life. He stated that more than 350,000 of these returning servicemen found themselves unemployed and indicated that he had launched a six-point program to correct this situation June 1971. Congress enacted Public Law 92–540, which among other things, mandated the immediate hiring of 67 federal veteran employment specialists to aid in securing employment for young Vietnam-era veterans. One year after enactment of that law, the Administration had failed to add a single person and even today, less than half of those slots are filled.

"The Veterans Administration has had one of the most efficient non-partisan group of professional employees in the government. Actions of Administrator Johnson to politicize the Agency and his failure to deal effectively with the Agency's problems have brought morale in the Veterans Administration to the lowest point that I have seen it in twenty-five years.

"Veterans Affairs have never been permitted to become a partisan issue in the Congress. The House Veterans Affairs Committee has tried to work with the White House staff to bring problems to its attention. Problems relating to the education and training program and the medical program have been discussed in detail with the representatives of the White House and these problems have been well known for some time by the Administration.

"Appropriations for the Veterans Administration have risen from $7 billion in 1969 to $13.6 billion proposed for 1975. Practically all of these funds go into direct benefits for veterans. The problem in VA is one of administration, not appropriations.

"We had thought the White House would recognize that the deficiency is in the top administration of the Veterans Administration. Instead Johnson is being told to go investigate himself. I frankly doubt that the information which has been furnished the White House has been made available to the President. The only possible solution at this point is a change in the top administration of VA."

Mr. CRANSTON. Last Sunday, the President made a radio address, which Mr. TEAGUE will answer this Saturday, in which he called for more talk, but no more action. Unfortunately, that has been the story of this administration's record on veterans' affairs—all rhetoric and promises, but negativism toward numerous congressional legislative initatives and very low-grade performance in implementing many new programs mandated in the law. I detailed these failures at length in my Vietnam Veterans Day statement last Friday, Mr. President.

The President on Sunday, in fact, called for two more studies, both to be headed by Mr. Johnson. As to the new Interagency Committee, the other gentlemen on that committee certainly have not demonstrated in their performance a particular sensitivity to or concern for meeting the needs of today's veteran. In short, they like Mr. Johnson are part of the cause, not the solution, to the problem.

As to President Nixon's announcement Sunday that he has directed Mr. Johnson to make a personal tour of VA hospitals and clinics and report his findings in 60 days, "TIGER" TEAGUE likens this self-investigation to putting the fox in charge of the hen house." I would say it is more like putting Dracula in charge of the blood bank.

Under Donald Johnson, Mr. President, the VA has become a hapless, helpless giant, hamstrung by dictates of the Office of Management and Budget, and stultified by demoralizing personnel and contract policies motivated largely by politics and favoritism.

The VA has been at the beck and call of White House political considerations. The agency readily absorbed 13 former employees of the Committee to Reelect the President—CREEP—awarded contracts under procedures which the General Accounting Office has found improper, agreed to an ill-advised cost-overrun settlement against the advice of VA's own professional contract and construction experts, engaged in Presidential campaign activities, and proposed legislation to cut back compensation and pension benefits for millions of veterans.

Mr. President, incompetents, former campaign officials, ex-CREEPS, and inexperienced, underqualified administrators have been placed in a number of important positions in the VA's Department of Veterans' Benefits, the Department of Medicine and Surgery, the Administrator's Office, and the Planning and Evaluation Service over the last year.

At the same time, high-level officials have been forced out, including Deputy Administrator Fred Rhodes, Deputy Chief Medical Director Dr. Benjamin Wells, and Chief Benefits Director Olney Owen.

And now Dr. Musser is the latest and most shocking casualty in Mr. Johnson's war of attrition against competence in the VA.

Mr. President, this reign of terror must end. The effectiveness of the VA professional management has already been seriously compromised. Programs are malfunctioning left and right. The inability of the VA leadership to acknowledge its management, computer, and personnel deficiency problems is a major part of the problem confronting the benefits program, especially the payment of GI bill checks.

The Los Angeles area has been the most hard hit by the VA's maladministration of the new advance payment requirement we wrote into the law in 1972 to get money to veterans at the start of the school year. Instead, as of this past December and January, more than 12,000 veterans had to be given urgent GI bill payments, because they had received no checks or too few, even though they had enrolled in school at the start of the fall. Scores more veterans continue to contact my offices in California and here, because they still are way behind in payments or have not yet received payments for the spring semester.

I held a hearing in Los Angeles on January 17, 1974, to probe into this matter, and plan to continue to followup on it very fully until it is completely rectified.

Mr. President, Senators will recall that for 19 days severely disabled Vietnam-era veterans from the American Veterans Movement carried out a sit-in in my Los Angeles regional office to try to bring national attention to their grievances regarding the benefits and services they were—or, rather, were not—receiving from the VA and to achieve a meeting with Donald Johnson. After repeated urgings on my part, Mr. Johnson finally agreed to go to Los Angeles on Thursday, February 28. He flew there on that Wednesday night and then refused to walk up six flights of stairs from the VA regional office, where he was ensconsed, to meet with the veterans, several of them in wheelchairs, in my office.

There was no meeting that day and Mr. Johnson flew back to Washington on Thursday night.

Friday, March 1, I talked to him urging him to return to meet with the veterans

publicly in my office. He did that night, not I suspect because of what I had said, but rather because, there is good reason to believe, the White House directed him to return to Los Angeles and meet with the veterans.

A 2-hour meeting finally took place between Mr. Johnson and the American Veterans Movement disabled veterans on Saturday, March 2. But the point is, Mr. President, that Mr. Johnson's arrogant, insensitive, intemperate behavior in Los Angeles that Friday aroused a response among Californians unlike any reaction I have ever seen to a particular action by a public official.

Over the last 4 weeks, I have received 150 pieces of mail dealing with Mr. Johnson's fitness to be Administrator of Veterans' Affairs. Only four found his conduct that Thursday appropriate.

The overwhelming majority, 146, wrote me condemning Mr. Johnson's intransigent, unresponsive attitude and behavior and demanding his ouster. The same adjectives characterizing him, such as "arrogant," "conceited," "pompous," "unresponsive," "insecure," and "bureaucratic," ran throughout these letters from veterans, nonveterans, young, old, men, and woman, in a remarkably consistent theme.

Mr. President, the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America have issued statements calling for a replacement of Mr. Johnson as Administrator of Veterans' Affairs. Mr. President, I ask unanimous consent that there be printed in the RECORD communications from these organizations.

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

APRIL 3, 1974.

Hon. ALAN CRANSTON,
Chairman, Health and Hospitals Subcommittee, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: The Veterans of Foreign Wars is extremely pleased with your announcement that your Subcommittee will conduct a "full inquiry into the circumstances that led the Chief Medical Director to resign from the Veterans Administration just three months after his reappointment."

In my telegram of April 2 to the President, I stated that the needs of the Veterans Administration hospital system and medical programs are evident, and no further study by the Veterans Administration is required.

Apparently Veterans Administrator Don Johnson has never told the President about the volumes of evidence which your Subcommittee has compiled in its oversight capacity of veterans medical care, which has produced overwhelming evidence of the needs of the Veterans Administration hospitals and veterans medical care. You will recall that the Veterans of Foreign Wars presented the results of its own survey of Veterans Administration hospitals to your Subcommittee, which revealed that more than about one-half of all veterans applying for veterans hospital care to a Veterans Administration hospital never made it to a Veterans Administration hospital bed. A root cause was the arbitrary refusal of Veterans Administrator Johnson to request necessary funds to hire the personnel and provide quality medical care as intended by Congress.

To the Veterans of Foreign Wars it is patently absurd to assign the Veterans Administrator to conduct an in-House investigation and report back to the President on Veterans Administration hospitals, which problems Veterans Administrator Johnson has personally created and presided over during the past four years.

This makes your scheduled hearings most important to veterans throughout the nation. We are extremely hopeful that Veterans Administration officials, including Veterans Administrator Don Johnson, will be called upon to testify, and that they be placed under oath, so that the truth can be ascertained. The Veterans of Foreign Wars will provide your Subcommittee with evidence that Veterans Administrator Johnson has failed to continue the high standards and administrative ability of his predecessors. In fact, the Veterans of Foreign Wars will furnish your Subcommittee with evidence that Veterans Administrator Johnson has demonstrated an almost complete lack of ability to get along with Congress, the press, and the Veterans of Foreign Wars. He has surrounded himself by cronies and political appointees who have insulated him from learning the truth or if he does know the truth, he doesn't know what to do about it.

For the good of this Administration and the welfare of veterans, it is imperative that the White House fulfill its promise which was made more than a year ago that Veterans Administrator Johnson be relieved of his position as Veterans Administrator.

It should be emphasized that the Veterans of Foreign Wars has but one objective, and that is that the veterans of this nation be provided the highest quality medical care as authorized by Congress and to which all veterans are entitled.

The Veterans of Foreign Wars looks forward to having the privilege of testifying at your scheduled hearings on why Doctor Musser has resigned just three months after his reappointment for four years.

With kind personal regards, I am,
Sincerely,

RAY R. SODEN,
Commander in Chief.

(The following is a copy of a telegram sent to the President in response to his recent radio broadcast concerning veterans and their problems. Due to its contents it is quoted in its entirety:)

WASHINGTON, D.C., *April 2, 1974.*

THE PRESIDENT,
The White House,
Washington, D.C.

I was completely baffled by the contents of your recent address to the Nation concerning veterans and veterans benefits.

It was announced several times by radio news personnel that you would speak on legislation. You reiterated your recommendation of a stingy 8% increase in education rates when it is well known the Congress will enact legislation authorizing substantially greater increases.

The recommendations of your administration concerning the National Cemetery system are grossly inadequate. They fail miserably to provide the honor of burial in national cemeteries reasonably close to areas of veterans residences. The proposal to eliminate the VA burial allowance is a shame on the Nation.

The pension "reform" program as proposed in your message to the Congress and by the Administrator of Veterans Affairs would in reality deny pensions to 75% of new applicants in the future because of retirement pay and earnings of spouses. This recommendation is inconceivable.

GI home loans for Vietnam veterans are practically nonexistent. Unemployment for Vietnam veterans is on the increase. The least your administration could do for veterans in need of jobs is to insist that governmental contractors—all of them—be required by law or executive order to give veteran preference to Vietnam veterans; and, in addition, teeth must be placed in the law or the order that would require fine and/or imprisonment if found guilty of violation. This type consideration was, and is being used today for certain segments of our society—why not for our Vietnam veterans?

The establishment of a committee of cabinet members chaired by the administrator of veterans affairs offers no hope of effective recommendations for solutions of existing problems in the administration of veterans benefits. Their personal knowledge is essentially nil and it can be presumed they will merely vote on a final report prepared by designated underlings who are likewise without the knowledge and judgment skills in this area essential for accurate conclusions and effective recommendations.

After administering large scale educational programs since the end of World War II, it is contemptuous for the administrator of Veterans Affairs to offer ridiculous excuses for check delays which in many instances have caused young veterans to discontinue educational pursuits. How Office of Management and Budget personnel can contribute to the solution of this continuing and inexcusable problem is certainly not evident. The answer is hard work and innovative approaches, including placement of VA personnel—perhaps Vietnam veteran students employed for this purpose—on campuses to insure prompt submission of institutional certifications and reports as required.

It is absurd to assign the administrator of Veterans Affairs to personally check and personally report on VA hospital and medical problems. This is somewhat analogous to the fox inspecting the chicken coop. It would be inane to expect the administrator of veterans affairs to submit an adverse report on hospital and medical programs for which he has been responsible for five years.

The needs of the Veterans Administration hospital system and medical programs are evident and no further study is required. They include increased funds, additional staff personnel, higher salary rates for many physicians, more special medical programs, effective admission system which will insure the admission and treatment of each veteran sufficiently ill to warrant hospitalization, a crash construction program to add hospital beds and skilled nursing home beds, revised domiciliary facilities, and modernization of existing facilities including air conditioning, and, perhaps even more important, the reestablishment of the integrity and authority of the position of chief medical director.

Shortly after your message to Congress, and revelation of the VA 1975 fiscal year budget request, I addressed you to emphasize that inadequacies of your legislative recommendations and the inept administration of veterans benefits, particularly the multitudinous delays of veterans payments, particularly educational program payments. No response has been received to date.

I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits.

I respectfully request a prompt response.
Sincerely,

RAY R. SODEN,
Commander in Chief.

APRIL 2, 1974.

President RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Disabled American Veterans, and those whom we represent, can no longer tolerate the frustrating inefficiency and bureaucratic bungling displayed by the Veterans Administration

since the appointment of Donald E. Johnson as Administrator of Veterans Affairs. Recent events prove beyond doubt that Mr. Johnson and members of his politically-appointed staff are totally incapable of coping with the problems facing the American veteran, particularly the service-connected disabled veteran. You have been completely misled by Mr. Johnson and other incompetent advisors on veterans affairs concerning these problems and their solutions. And the nation's veterans have been misinformed time and time again by a Veterans Administrator who refuses to abide by Congressional mandates, including expenditures for additional facilities and personnel. Furthermore, we strongly oppose the whitewash which will result from the self-investigation of Veterans Administration deficiencies as ordered in your message of Sunday, March 31, 1974. In addition, Donald Johnson and Roy Ash, OMB Director, have already demonstrated their total inability and unwillingness to cooperate with Congress in maintaining recommended standards of VA benefits. As such, the DAV must protest their appointment to direct your study of all Veterans Administration services. We respect and appreciate your expressed concern for this Nation's veterans, even though your appointed advisors have failed to conscientiously acquaint you with the numerous problems which confront the wartime disabled veteran and his dependents. Your concern can best be expressed by action, not mere words.

For the sake of all U.S. veterans, we urgently implore that VA Administrator Donald E. Johnson be replaced immediately by the appointment of a man whose first and sole interest is the American veteran. This official must be fully assured of authority to administer the VA program without any interference or control whatsoever from either the Office of Management and Budget or the Department of Health, Education and Welfare. Otherwise, further chaos and mismanagement are guaranteed. We must also insist that any study of the Veterans Administration be entirely removed from the responsibility of those who have already contributed much towards destroying the Nation's time-honored system of veterans benefits. No compromises are acceptable. No puppet appointment responsible to OMB and/or HEW will be tolerated. The sooner you replace Mr. Johnson as Administrator, the sooner America's veterans will again receive the benefits and services intended by the Congress and the American public. More than two and one-half million wartime disabled veterans and their families await your immediate and affirmative action in this most urgent matter.

Sincerely,

JOHN T. SOAVE,
National Commander, Disabled American Veterans.

DISABLED AMERICAN VETERANS

CINCINNATI, OHIO, April 2.—The Disabled American Veterans (DAV) has asked President Nixon to fire Donald E. Johnson, Administrator of Veterans' Affairs.

In a telegram to President Nixon this afternoon, DAV National Commander John T. Soave, asked for Johnson's replacement by ". . . a man . . . whose first and sole interest is the American veteran."

Soave pointed to the Veterans Administration's record of ". . . frustrating inefficiency and bureaucratic bungling . . ." since Johnson was appointed Administrator, and charged that recent events ". . . prove beyond doubt that Johnson and his ranking administrative staff are totally incapable of coping with the problems facing the American veteran, especially the service-connected disabled veteran."

Charges that Johnson has seriously damaged the VA and has misled the President regarding the rampant inefficiency within his agency have been more and more frequent in recent months.

In February, newspaperwoman Sarah McClendon electrified a nationally televised presidential press conference by stating flatly that Johnson had deceived and misled the President regarding the VA's handling of GI Educational Benefit checks. Chronic mishandling and tardiness of the checks has been a complaint of Vietnam-era veteran college students for nearly three years.

Johnson has also been charged with destroying the morale within the VA medical program, and specifically with forcing the resignation of both the Chief Medical Director and Deputy Chief Medical Director through a campaign of calculated harassment.

Soave requested that any study of the VA be entirely removed from the responsibility of those who have already contributed much toward destroying the Nation's time-honored system of veterans' benefits.

This was in reply to the President's suggestion over the weekend that a "crack management team" be set up by Johnson and Office of Management and Budget Director Roy Ash to analyze the management of the Veterans Administration.

The DAV National Commander accuses Johnson of being, "a puppet of the Office of Management and Budget."

In his telegram Soave told the President, "The sooner you replace Mr. Johnson as Administrator, the sooner America's veterans will again receive the benefits and services intended by Congress and the American public. More than two-and-one-half-million wartime disabled veterans and their families await your immediate and affirmative action on this most urgent matter."

The DAV is the Nation's third largest veterans' organization, and is the Congressionally-chartered voice of America's wartime, service-connected disabled veterans.

EDITORIAL MEMO

Yesterday, (April 2), John T. Soave, National Commander, Disabled American Veterans, sent a telegram to President Richard M. Nixon calling for the immediate replacement of Donald E. Johnson as Administrator of Veterans Affairs. A copy of that telegram is attached.

Commander Soave will be available for interviews in Washington this afternoon (April 3) and all day tomorrow (April 4). He may be contacted through National Service Headquarters, Disabled American Veterans, 1221 Massachusetts Ave., N.W.; PHONE: 737-2434. Commander Soave will be staying at the L'Enfant Plaza Hotel.

JOHN J. KELLER,
National Service Director.

Mr. CRANSTON. Mr. President, there is no assurance that a change in leadership at the VA will create a responsive, sensitive, creative, courteous agency willing and able to fill the void in moral leadership in veterans' affairs.

Mr. President, last Friday, at Veterans' Affairs Committee hearings and in my Vietnam Veterans' Day statement, I called for a resurgence of national conscience to deal effectively with the plight of today's veterans. I ask unanimous consent, Mr. President, that my opening statement at that hearing be printed in the RECORD at this point.

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

OPENING STATEMENT BY SENATOR ALAN CRANSTON, HEARING OF VETERANS' AFFAIRS COMMITTEE, MARCH 13, 1974

I am pleased to be here this morning and am grateful to Chairman Hartke and to the Chairman of the Subcommittee on Compensation and Pensions, Senator Talmadge, for inviting me to sit with the subcommittee this morning to receive testimony on several bills relating to compensation and dependency and indemnity compensation which are before the subcommittee. I want to thank my two colleagues for scheduling for hearing at the same time my bill, S. 2363, to improve the program of assisting disabled veterans in purchasing automobiles and adaptive equipment.

It is now not a question of whether compensation and dependency and indemnity compensation rates *should* be raised but rather a question of *how much* that raise should be. These bills we have before us, introduced on behalf of the committee by Senator Talmadge for compensation benefits, S. 3067, the Disability Compensation Act of 1974, and S. 3072, the Dependency and Indemnity Survivors Act of 1974, introduced by Chairman Hartke, are bills that will go a long way towards helping those living on fixed incomes, in particular the 2,179,000 veterans receiving compensation for service-connected injuries, and the 375,000 widows of those who died from service-connected conditions. There is an urgent need for action now on these bills, and I am proud to cosponsor them.

With respect to my bill, S. 2363, it seeks to improve and expand on Public Law 91-666, which I authored in the Senate in the 91st Congress when I was chairman of the former Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare.

The purpose of S. 2363, in which I am joined by Chairman Hartke and Senator Randolph, is to clarify some aspects of chapter 39, to expand eligibility to other seriously disabled service-connected veterans not now eligible, and to assure that the adaptive equipment provided will include all those devices necessary to ensure the safe and healthful operation of the vehicle by the eligible veteran. Mr. Chairman, I submitted for printing on March 8 an amendment (No. 1006) to the bill to require the VA to carry out a research and development program in the field of adaptive equipment and adapted conveyances, and to coordinate these activities with the Department of Health, Education, and Welfare under the authority established in the rehabilitation act of 1973, Public Law 92-112, which I joined with Senators Randolph and Stafford in authoring on the Labor Committee last year.

Mr. Chairman, I ask unanimous consent that the text of S. 2363 and my amendment No. 1006 (with technical modifications) be printed in the hearing record along with my introductory remarks on them and the other two bills before us.

I want to point out, Mr. Chairman, and make it very clear, that there is now some coordination between the Department of HEW and the Veterans' Administration, but the authorities in present law make the Department of Health, Education, and Welfare the principal partner. My amendment to S. 2363 would make the VA an equal partner in coordinating these activities and give the VA more control over the coordinated activities and the monies which are expended under this program.

I believe that the Veterans' Administration has made a good start in its adaptive equipment research and development program. But it has not done enough. That program needs to be expanded so as to apply to the fullest the benefits of our vast scientific and technological knowledge and achievement to solve the multiple and complex transportation and office problems confronting seriously handicapped persons. In the new rehabilitation act, we required HEW to enter this field far more actively, and I am sure that these two agencies together can make more progress, and that this way we can ensure that the Federal Government's effort

and resources in this field are utilized to the fullest for the benefit of all handicapped veterans and other handicapped individuals who need these types of adapted conveyances and adaptive equipment.

There have been great difficulties in the implementation of Public Law 91-666 since its enactment. Despite repeated urgings on my part, the VA has yet to publish adaptive device safety standards as required in section 1902 of chapter 39. We want to explore further this morning the reasons for this and where the VA now stands three years later.

S. 2363 will attempt to correct several important deficiencies in the program that have been well documented in correspondence I have initiated with the VA in oversight of this program as chairman of the Subcommittee on Health and Hospitals, and in the cases individual veterans have brought to my attention.

First, the bill would remove the inequitable limitation now governing the eligibility of Vietnam-ERA veterans for chapter 39 assistance. Presently, unlike World War II and Korean conflict veterans, Vietnam-ERA veterans must meet more stringent line-of-duty criteria. That is, in order to be eligible, they must have been injured both in the line of duty as well as during the direct performance of duty. Yet similarly disabled World War II or Korean conflict veterans are eligible for automobile grants and adaptive equipment assistance if they satisfy the line of duty criteria alone. This basic inequity would have been removed had the House agreed to the Senate version of H.R. 370 in the 91st Congress; and I might add, the administration has also proposed legislation to correct this inequity.

Second, the bill would provide that all those who served after January 31, 1955, which is considered the end of the Korean conflict era, and before August 4, 1964, would be newly eligible for the chapter 39 automobile assistance grant and adaptive equipment. This change would follow the philosophy embodied in the enactment in 1972 of Public Law 92-328, with the provision which I authorized in this committee to equalize the so-called peacetime veteran with those who served in wartime for the purposes of disability compensation. This same concept was contained in my bill, S. 59, now Public Law 93-82, the Veterans' Health Care Expansion Act of 1973, which among other things, removed this distinction for purposes of eligibility for V.A. hospital care and medical services. Further, it conforms with the provision in S. 3072 before us today to eliminate the peacetime distinction in the death compensation program.

I believe the historical dates chosen for the so-called war periods tend to be arbitrary, and it is inequitable to retain a peacetime distinction for the purposes of chapter 39 when it has been or will be removed for the purposes of V.A. disability compensation, death compensation, and health care. I appreciate the V.A.'s support for this feature of S. 2363.

Third, the bill provides for an increase in the basic automobile grant allowance from $2,800 to $3,300. This allowance is awarded on a one-time basis to those veterans eligible under this chapter. This increase is designed to match the rise in the cost of automobiles since passage of the last increase in 1970. In fact, the Senate originally passed a $3,000 figure that year which was lowered to the $2,800 level in a compromise with the House figure of $2,500.

The increase we then proposed was based on the fact that the cost of the average size American automobile in 1970 was between $3,000 and $4,000. Figures provided by the Chevrolet Division of General Motors show that the list price of a 1974 standard two-door model of automobile with power steering, power brakes, automatic transmission, and air-conditioning was over $4,000. The percentage increase in this bill above the 1970 Senate-passed $3,000 figure is a modest 10 percent, while the actual percentage increase from 1970 to 1974 in automobile prices for this size car is about 15 percent. Even with an adjustment for the removal of the automobile excise tax in effect in 1971, this is certainly not an extraordinary raise in the grant.

I am thus astounded that the V.A. can assert with a straight face that there is no need for a raise in the basic grant because, they say, average automobile prices have not increased in the last 3 or 4 years. The question must be, however, the cost to the disabled veteran of the kind of vehicle he needs, not the cost of the average automobile to the average consumer.

Further, the bill requires the V.A. administrator to assure that driver training is available at every V.A. hospital and, where appropriate, at V.A. regional offices and other medical facilities to those disabled individuals eligible for assistance provided by this chapter. It also includes express authority for the administrator to provide training for those who may not be eligible for chapter 39 assistance but who may need such training as part of their total rehabilitation in a V.A. hospital. The V.A. now has 13 such programs in the Nation, and I understand that another hundred are under consideration. These efforts will be expedited and expanded by express statutory authority for these programs, such as S. 2363 would provide, and that way we can assure that the training these severely disabled veterans received will be of the first-rate quality they deserve.

The bill also authorizes the administrator to pay for liability insurance for the eligible veteran during the period in which he is taking such training.

I also am pleased to note that the administration, in a rare outburst of constructive thinking on veterans' legislation, has endorsed these last two features of the bill as well. In fact, at first I wondered whether the V.A. forgot to clear its report with the Office of Management and Budget. But the absurdity of the V.A.'s opposition to an equitable cost-of-living increase in the automobile grant bears the unmistakable imprint of the "not-so-jolly Green Giant's" heavy hand and miserly penny-pinching at the expense of disabled veterans.

I want to thank the Veterans of Foreign Wars, the disabled American veterans, and the paralyzed veterans of Ameria for their strong support of S. 2363 and the assistance they have given me and my staff in developing the provisions of that bill.

I am pleased to join with Senator Talmadge in these hearings this morning and look forward to reviewing the testimony both on the compensation and dependency and indemnity compensation bills as well as on my bill. I hope that we can move forward in all three of these areas quickly so that the service-connected disabled veteran and his widow and survivors may have their incomes brought up to parity, and the benefits which my bill will provide can be expeditiously enacted into law.

I must now ask the chairman and our witnesses to please excuse me, since I must leave to chair a hearing of my small business subcommittee of the banking committee. I have left some questions with Chairman Talmadge on S. 2363 and will submit others for the record.

Mr. CRANSTON. Mr. President, the answer, I have come to believe, to provide effective, bipartisan, responsive leadership, and advocacy for veterans' affairs in the Nation is a major restructuring of the Veterans' Administration. I expect to introduce major legislation to achieve this shortly after the Easter recess.

In the meantime, and because I realize that a basic restructuring of the VA will require substantial further study and debate and close consultation with veterans organizations, governmental theorists, and many of my colleagues, I plan to propose a more immediate remedy. Next week I will outline my proposal for an independent bipartisan Commission on Veterans' Rights, modeled on the Civil Rights Commission, to be established within the Federal Government. This new Commission would be appointed by the President and the Congress to serve as a watchdog agency for the total operation of the VA as well as all other Federal, State, and local programs affecting veterans, and to become a forceful advocate for equity and justice for veterans in our society.

Mr. President, I ask unanimous consent that there be printed in the RECORD exchanges of correspondence I had this past fall with the White House and the VA regarding Dr. Musser and the DM & S reorganization.

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

SEPTEMBER 21, 1973.

Hon. DONALD E. JOHNSON,
Administrator of Veterans' Affairs,
Veterans' Administration,
Washington, D.C.

DEAR MR. ADMINISTRATOR: For the past several months I have been receiving reports from constituents and other sources indicating that a major "shake-up" was in process for the Department of Medicine and Surgery (DM&S) for the purpose of removing effective decision-making authority from those accountable by statute for VA health care and placing it in the hands of those lacking proper authority who may or may not view their chief mission as devotion to first-class health care for our nation's veterans. I view these allegations with the gravest concern because I believe that the VA health care program should be non-political and run in accordance with the highest professional standards by medical leadership.

I have reviewed your September 18, 1973, press conference statement regarding the DM&S reorganization, and read news reports of that conference and talked to a number of persons who were present. My prior concerns are now heightened by this reorganization which places direct line responsibility for all VA patient care programs on a non-physician—appointed, according to my information, without consultation with the Chief Medical Director, and places directly under this new lay official seven Directors of Field Operations (replacing the present four Regional Medical Directors)—also apparently appointed without such prior consultation, five of whom are also non-physicians.

Since the announcement of the reorganization two days ago, I have received very heated protests from leaders in the medical education community and from veterans organizations. I am also unable to find statutory authority for the new "Associate Chief Medical Director" position. I find no such position authorized in section 4103 of title 38 which establishes the office of the Chief Medical Director and specifies the officers of it in very clear ranking. I also note that when it was desired to create a new Associate Deputy Chief Medical Director and two new Assistant Chief Medical Directors, statutory authority was sought and obtained.

I have also received reports that the new "Associate Chief Medical Director" whom you have appointed is making decisions without consultation with the Chief Medical Di-

rector and is in effect attempting to run the Department of Medicine and Surgery reporting directly to you. Any such arrangement would be a clear violation of sections 4101(a) and 4103(a)(1) of title 38 which provide, respectively, that the Department of Medicine and Surgery "shall be . . . under a Chief Medical Director" and that the Chief Medical Director "shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department."

These statutory provisions evidence a clear Congressional policy that only the Chief Medical Director shall run the Department of Medicine and Surgery and that he "shall be a qualified doctor of medicine. . . ." I believe that these requirements indicate a very strong Congressional intent that the individual chiefly responsible for the Department of Medicine and Surgery, and certainly for all VA patient care, shall be a physician.

In order to inquire into these and other aspects of the announced reorganization, as well as the present method of operations within the Department of Medicine and Surgery, the Subcommittee on Health and Hospitals has scheduled an oversight hearing to begin at 9:00 a.m. on October 5, 1973. I request that you, the Chief Medical Director, Dr. Marc J. Musser, the Deputy Chief Medical Director, Dr. Benjamin Wells, and Mr. David Anton be present as the first witnesses at that hearing. The hearing should provide all concerned an opportunity to set the record straight and clear up any unfounded rumors.

If for any reason it is not possible for you to arrange all of the schedules of those involved at such time, I am prepared to schedule your appearances at any of the following times: the afternoon of October 9, or morning or afternoon of October 10, 11, or 12. Mr. Steinberg will be in touch with Mr. Bronaugh to attempt to arrange appropriate details.

Thank you very much for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

SEPTEMBER 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have your letter of September 21, 1973, advising of the hearing scheduled by your Subcommittee on Health and Hospitals concerning the recently announced reorganization of the Veterans' Administration's Department of Medicine and Surgery.

I am pleased to confirm the understanding, previously reached by the members of our staffs, that Dr. Musser, Dr. Wells, Mr. Anton, and I will appear before the Subcommittee during the morning of Thursday, October 11, 1973. At that time, we will respond to the matters raised in your letter and discuss other aspects of the reorganization.

Sincerely,

DONALD E. JOHNSON,
Administrator.

OCTOBER 3, 1973.

Hon. DONALD E. JOHNSON,
Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: This is further with regard to my letter to you of September 21 announcing a hearing of the Health and Hospitals Subcommittee on the October 1 Reorganization of the Department of Medicine and Surgery and your letter of September 26 agreeing to appear, along with Dr. Musser, Dr. Wells, and Mr. Anton, at such a hearing on October 11. I also request that Mr. Fred Rhodes, Deputy Administrator of Veterans Affairs, and Mr. Ralph Castille, Executive Assistant to the Chief Medical Director, be present to testify on October 11.

Finally, in view of information received subsequent to my previous letter and certain conflicts in the nature of the testimony expected, I have decided that the witnesses testifying from the Veterans Administration will testify under oath.

This letter is in confirmation of information conveyed to Mr. Bronaugh by Mr. Steinberg on this day.

Thank you for your continued cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

THE WHITE HOUSE,
Washington, D.C., October 5, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate.

Hon. CLIFFORD P. HANSEN,
Ranking Minority Member, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, U.S. Senate.

Hon. WM. JENNINGS BRYAN DORN,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives.

Hon. JOHN P. HAMMERSCHMIDT,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. House of Representatives.

DEAR ALAN: This follows up our phone conversation concerning the organization of the Department of Medicine and Surgery of the Veterans' Administration.

As I indicated to you, much of the concern has arisen from misunderstanding and uncertainty as to the manner in which the new organization will be implemented. I have gotten into this personally and can reaffirm to you that the current Administrator, Don Johnson, has agreed to remain in his position where he has served so well. There is no present disagreement between the Administrator and the Chief Medical Director, Dr. Marc J. Musser, over the organizational plan.

The organization plan recently announced for the Department of Medicine and Surgery is the result largely of work performed by a task force appointed by Dr. Musser. Some of the misinformation has to do with the interpretation placed on this plan by some individuals that the Deputy Chief Medical Director and Associate Chief Medical Director for Operations would not report through the Chief Medical Director but directly to the Administrator. This will not be the case. All personnel of the Department of Medicine and Surgery will report to and through the Chief Medical Director. Each personnel action taken in the Department of Medicine and Surgery by the Chief Medical Director is, of course, subject to the approval of the Administrator. The basic law fixes responsibility for all activities of the Veterans' Administration with the Administrator. The Administrator assures me that he has full confidence in the present Chief Medical Director. It is his intention to ask Dr. Musser to continue in his position when his present term expires in January. The reporting procedures and responsibilities are now clearly understood. It is my opinion that the new organizational concept should continue to move forward and be tried. I am confident that it can and will be successful.

With best wishes and kindest personal regards,

Sincerely,

MELVIN R. LAIRD,
Counselor to the President for Domestic Affairs.

OCTOBER 11, 1973.

Hon. MELVIN LAIRD,
Counselor to the President for Domestic Affairs, The White House, Washington, D.C.

DEAR MEL: I regret that I must write you further with regard to this whole matter of the VA Department of Medicine and Surgery. I am most grateful for the very prompt nature of your earlier response culminating in your October 5 letter to me. I know you believed, as did I, that the matter had been resolved by these earlier actions.

However, most regrettably, that does not seem to be the case. This letter is necessitated by the fact that there has been absolutely no movement by the present Administrator of Veterans Affairs to implement the arrangement agreed to in the third paragraph of your letter and the understandings subsidiary thereto arising from our several telephone conversations from October 3–5 (see my enclosed October 5 statement).

In fact, the situation, which had already reached almost crisis proportions as of October 5, has deteriorated still further in the past several days, both generally and in a number of specific respects, which I will enumerate later.

To begin with, several matters were treated in your October 5 letter in a way different from what I had understood to be our agreed-upon text based upon the substitute language I transmitted to you on October 4. When we discussed that language early that evening you stated that the text I submitted was agreeable except for matters which you then specified. Yet several additional changes were made which we did not discuss.

These deletions from the text take on special significance in view of the extraordinarily tense, totally counterproductive, and clearly intolerable situation which now prevails with respect to the present DM&S statutory leadership and the present Administrator, and I, therefore, will discuss these deletions in footnotes to appropriate portions of the text of this letter. Before providing some specific illustrations of the gravity of the present situation, I want to note that this situation existed to a major extent prior to your October 5 letter despite the indications to the contrary in the second paragraph, and the first sentence of the third paragraph, of your letter.

I decided not to raise objection initially to certain factual inaccuracies in those paragraphs because it was my hope and expectation that the misunderstandings and uncertainty between the current Administrator and the present Chief Medical Director would be resolved once the arrangements I believed we had agreed upon had been implemented. However, since the Administrator has taken no such implementation action—indeed has in three instances acted in clear contravention of the letter and understandings—I want to point out now certain respects in which your letter did not accurately disclose the underlying factual situation then existing:

1. There was and remains major disagreement—to put it mildly—between the current Administrator and Chief Medical Director.

2. There really has never been any "misunderstanding" whatsoever about "the manner in which the new organization will be implemented". It *is* being implemented, just as "some individuals" believed, by the Administrator and *his* agents, around, over, and under the Chief Medical Director.[1]

3. The recently announced reorganization plan was not, in any significant respect, "the result largely of work performed by a task force appointed by . . ." the Chief Medical Director.[1] In fact, as I am sure you will readily agree if you ask for copies of the final

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Footnotes at end of article.

reorganization chart and the chart as proposed by the DM&S task force, the differences far outnumber the similarities. The DM&S reorganization included an Executive Secretary for SMAG and an Executive Assistant to the Chief Medical Director both reporting directly to him—positions deleted entirely from the final plan. The DM&S plan included three Assistant and six Deputy Assistant Chief Medical Directors, whereas the final plan included five ACMD's and three Deputies. The DM&S plan specified ten Regional Medical Districts whereas the final reorganization included seven Districts. Most significantly, although I gather from our discussions you have been told to the contrary, the DM&S plan included no position of *Associate* Chief Medical Director, a position which is without statutory authority (see section 4103 of title 38, U.S.C.), or any other comparable No. 3 official in the Department.

It has been quite clear for the last year—since seven former employees of the Committee to Reelect the President came on the VA rolls, led by Frank Naylor and Michael Bronson—that the present statutory DM&S leadership has not been "running" that Department. Numerous decisions and personnel actions have been forced upon DM&S by the current Administrator or his agents.[2] As I told you in one of our phone conversations, the C.M.D. has been required to submit a lengthy list of names in recommendation for any single position from which list the Administrator has selected one person to appoint. And the Administrator on several occasions has selected a person named on a prior recommendation list for a position for which such person has never been "recommended" by the C.M.D. (The statute specifies that A.C.M.D. and Medical Director positions are to be filled "upon the recommendation of the Chief Medical Director" not "after receiving recommendations" for him.) [1]

Thus, the imposition and implementation of the October 1 reorganization—with the establishment of the statutorily unauthorized position of Associate C.M.D., filled by the Administrator with a person (Mr. David Anton) not approved or recommended by the Chief Medical Director—is merely a formalization and culmination of the steady erosion of the authority of the office of Chief Medical Director, as specified by title 38,[1] and of the authority of the present incumbent of that office, which has occurred over the last year.

I want to point out three actions taken contemporaneous with or subsequent to your October 5 letter which, in my judgment, illustrate clearly that, despite the words of my October 5 statement based on my understanding with you, the Chief Medical Director is *not* "running" the Department; that, despite the words of your letter, all DM&S personnel are *not* reporting "to and through the Chief Medical Director"; and that each DM&S personnel decision is *not* being taken "by the Chief Medical Director, subject to the approval of the Administrator":

1. On October 5, Mr. Anton, without the knowledge of either the Chief Medical Director or the Deputy Chief Medical Director, apparently authorized the transmission to each VA Hospital Director of a directive that all hospital employment was to be maintained at the September 30, 1973, level.[1] It seems quite clear that Mr. Anton would not have acted without a direction from the Administrator or his office. It also seems clear that if Mr. Anton takes such direction, or issues such directives on his own, he is in a very real way the Chief Medical Director, himself.

2. On October 9, the Administrator submitted a written directive to the Chief Medical Director to move the location of the new Medical District No. 7 office from Los Angeles to San Francisco contrary to an agreement between the Administrator and the C.M.D. of two months earlier.

3. The same October 9 issuance directed the removal of the Director of that District, Mr. John Cox, whom the Administrator himself had announced as the Director at his September 18 press conference, ostensibly because of medical reasons.[2] (It should be noted that Mr. Cox's physician has advised the Chief Medical Director that Mr. Cox is now fit for further duty.)

The only conclusion I can reach from the above is that the current Administrator has not gotten the message (I am thus taking the liberty of directly sending him, as well as the Chief Medical Director, a copy of this letter). To date, he has not made the slightest attempt "to ask Dr. Musser to continue".[3] Rather, he continues to carry out a course of actions apparently calculated to undercut, undermine, and eventually make life intolerable for, the Chief Medical Director. The present Administrator refuses to discuss with the Chief Medical Director the question of the reappointment of the present Deputy Chief Medical Director, Dr. Benjamin Wells, whom Dr. Musser has indicated he very much wishes to retain, and he has continued his persistent efforts to force Mr. Ralph Casteel, Executive Assistant to the Chief Medical Director, and other key personnel in the Department in addition to Dr. Wells, out of their positions.

A final touch of intrigue in this most unfortunate record is as follows: the current Administrator has revealed that a telephone conversation between by Subcommittee counsel and the Chief Medical Director was monitored by the Administrator or one of his agents. This is clearly an unethical practice which is prohibited by the internal regulations of a number of Federal agencies—for example, the General Services Administration and the Federal Communications Commission. Although we have not yet had the opportunity to research this issue thoroughly, the monitoring of telephone conversations, without the consent of either party, seems to be contrary to June 16, 1967, and December 1, 1972, memoranda to Federal Government Executive Department and Agency Heads from the Attorney General. Moreover, Federal Government-wide regulations promulgated by the General Services Administration (§ 101-35.308-9(f)) prohibit "Installation of listening-in circuits, transmitter cutoff switches, and other devices for recording and listening to telephone conversations . . .", unless deviation is authorized in writing by the appropriate agency head as "essential to the effective execution of agency responsibilities or is required by operational needs (to be specified)." (§ 101-35.307-2.) My understanding is that, in fact, extension lines on the phone numbers of the Chief Medical Director and Deputy Chief Medical Director and others in their office have been run into the office of Mr. Anton and that a transmitter cutoff switch has been installed on his phone.

In conclusion, it seems to me that if Dr. Musser is to operate as Chief Medical Director now or under a reappointment, I feel he must be able to retain his key deputies and assistants and be able to eliminate the unauthorized Associate C.M.D. position. Yet he clearly is unable to do these things today.

Without early, swift, and decisive action to rectify this situation, I am afraid we are again bound for a major confrontation. I continue daily to receive letters from Medical School Deans across the country expressing the gravest concern about the present DM&S situation. Veterans organizations and others continue to urge that we proceed to reschedule our hearings postponed from October 11.

I know you have proceeded throughout in the best faith and with the utmost desire to cooperate as fully as possible. I am most appreciative of your efforts, and hope that you will be able to resolve finally this absolutely intolerable situation which is paralyzing the effective administration of the $2.7 billion VA health and hospital program.

With best regards,

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals Committee on Veterans' Affairs.

FOOTNOTES

[1] Your October 5 letter deleted one sentence which had been in both your first draft and my proposed October 4 substitute—"as you know, the Chief Medical Director is a statutory position and, under the statute, he is directly responsible to the Administrator."—and substituted for it another which we did not discuss—"The basic law fixes responsibility for all activities of the Veterans' Administration with the Administrator.". There is a real substantive difference here, both in terms of a recognition of the statutory basis of the Chief Medical Director's office and in terms of the incorrect assertion in the new language that the statute fixes responsibility for *all* VA activities with the Administrator. That latter assertion is legally inaccurate, especially insofar as the operation of the Department of Medicine and Surgery is concerned. Although most authorities with respect to the Department do run directly to the VA Administrator, there are no less than nine specific authorities bestowed directly and solely upon the Chief Medical Director. (See section 4108(a)(1) (authority to make exceptions to permit health professionals to assume certain outside patient care responsibilities for periods of 180 days); section 4110(a) (appointment of disciplinary boards,—under regulations prescribed by the Administrator); section 4110(c) (designation or appointment of one or more disciplinary board investigators); section 4113 (detailing health professionals to professional meetings); section 4114(a)(3) (extension beyond one year of appointments of temporary health professionals); section 4114(c) (exception to citizen employment rule to permit employment of aliens when determined qualified citizen medical personal not recruitable); section 4114(d) (waiver of State licensure requirement for physicians and dentists or registration for nurses in certain cases); subchapter III of chapter 73 (designation of Regional Medical Education Centers; operation and supervision of such Centers; assignment of, and contracting for, teaching staff; and selection of personnel for training); and section 5001(a)(2) (perodic analysis of agencywide admission policies and records).) Ten title 38 provisions bestow *shared* responsibilities, that is, functions which can be carried out *only* with recommending action by the Chief Medical Director to the Administrator. (See section 4101(c)(1) (consultation with regarding concluding negotiation of agreement with National Academy of Sciences and regarding extension of time for NAS filing of report under such agreement); section 4103(a)(4) (recommendation to the Administrator with respect to the appointment of the eight Assistant Chief Medical Directors); section 4103(a)(4) (direct responsibility for operation of the Dental Service); section 4103(a)(5) (recommendation to the Administrator with respect to the appointment of Medical Directors); section 4103(a)(6) (direct responsibility for operation of the Nursing Service); section 4112(a) (nomination to the Administrator of members of the special medical advisory group); section 4112(b) (receipt, along with the Administrator, of advice from deans committees and other medical advisory committees); section 4114(a)(1) (recommendation to the Administrator with respect to appointments of health personnel); section 4115 (promulgation of

rules and regulations, with the Administrator's approval, for administration of DM&S); and section 5001(a) (prepare report for submission by the Administrator to Congress on results of admission policy and case analysis and number of additional beds and treatment capacities and appropriate staffing therefor needed).) Thus, the original sentence was an appropriate and accurate description of the overall statutory scheme with respect to DM&S responsibilities.

[2] My proposed October 4 substitute text made reference to the present understanding with respect to "the reporting and personnel procedures and responsibilities", whereas your final, as well as your original, text omitted reference to "personnel" procedures as being clarified in the letter. I fail to understand the reason for this deletion which, again, we did not discuss. The clarification and supposed "understanding", as I shall make clear later in this letter, was certainly as crucial with respect to authority to take *personnel* actions—that is, appointments and removals—as it was to *reporting* procedures and responsibilities.

[3] My proposed October 4 text stated that the Administrator intended "to immediately ask" Dr. Musser to continue "for another term". Your final letter reverted to your original proposal by deleting "immediately" and the reference to "another term". Yet there was no discussion between us on these points. This is more than semantical. I proposed the deleted words in order specifically to avoid exactly what has transpired since last Friday—continued uncertainty and confusion—by making clear that Dr. Musser's second four-year term appointment was to be effected immediately upon the clarification of the present Administrator's future status. The omission of the word "immediately" was called to the attention of your assistant by my Subcommittee Counsel as soon as the letter was received—at which point I was already on the plane for California. Your assistant responded that his understanding was that Dr. Musser was to be reappointed without delay.

STATEMENT OF U.S. SENATOR ALAN CRANSTON

Following is a statement by Senator Alan Cranston (D., Calif.), chairman of the Veterans Affairs Subcommittee on Health and Hospitals, in connection with a letter from Melvin R. Laird, Counsellor to the President for Domestic Affairs, which is being simultaneously released by the Senator and by the White House in Key Biscayne, Fla.:

In view of the letter I received today from Mr. Laird and understandings we reached in negotiations I have had with him over the past three days, I have cancelled next week's scheduled oversight hearings to receive testimony under oath about complaints of a personnel "shake-up" in the Veterans Administration which threatened to remove effective decision-making authority from the VA Chief Medical Director.

That letter and those understandings make clear that Chief Medical Director Dr. Marc J. Musser will run the VA Department of Medicine and Surgery and that he immediately will be asked to serve another four-year term when his present appointment expires on Jan. 4 1974.

I am most grateful to Mr. Laird for the fair and forthright way he has proceeded in this matter. The situation had reached almost crisis proportions, and his evenhanded approach has avoided a major confrontation and, in my view, a disastrous undermining of the professional nature of the VA medical program.

VA health care must be non-political and run in accordance with the highest professional standards by medical leadership.

Mr. Laird's willingness and effectiveness in resolving this situation bodes well for Congressional-Executive branch relations, not only because of the equitable result worked out but also because channels of communication, hitherto so tightly shut, are now open.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 24, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: Enclosed is a copy of the October 5, 1973, letter to me from Counsellor to the President for Domestic Affairs Melvin R. Laird regarding the Department of Medicine and Surgery, and a copy of a statement I released upon receipt of that letter expressing the understandings I reached with Mr. Laird leading up to and forming a background for his October 5 letter.

I am delighted to learn of the decision by the Administrator to reappoint you for a second four-year term as Chief Medical Director. There is a great need for continuity in the leadership of the Department of Medicine and Surgery as it proceeds to carry out the two major Public Laws (92-541 and 93-82) enacted over the past year. Despite the most regrettable confusion in the Agency over the last two weeks following the October 5 letter and statement, I now understand that you and the Administrator have reached agreement on the general terms and conditions under which your service as Chief Medical Director will continue.

In that connection, I am also extremely pleased to learn that the Administrator has asked Dr. Benjamin Wells to remain as Deputy Chief Medical Director and that your Executive Assistant, Mr. Ralph Casteel, will also remain with you in that capacity.

Although these personnel matters and your future status are now finally settled, there still remains to be determined the continued status of the new position of "Associate Chief Medical Director" to be established under the Administrator's proposed October 1 reorganization of the Department. Enclosed are copies of numerous letters I have received from heads of medical schools and other health institutions, as well as a veterans organization, expressing grave concern about the establishment of that new position and the process by which it was filled with a layman, Mr. David Anton.

I do not believe it is sufficient merely to state that Mr. Anton will report to you and your Deputy. In view of the great public anxiety which has been expressed over the process by which his appointment was made and the fact that a layman has been charged with direct line responsibility over the provision of VA medical care, I believe that a substantial structural change, in both the title and assigned responsibilities, must be made in the position held by Mr. Anton.

Additionally, I am enclosing a copy of my September 21, 1973, letter to the Administrator, regarding the proposed reorganization and my plan at that time to conduct oversight hearings on it, so as to make you directly aware of my view that the position of "Associate Chief Medical Director" is not authorized under title 38 and should, therefore, be abolished.

Accordingly, I would greatly appreciate your advising me at your earliest convenience of the status of Mr. Anton in the Department, specifically his lines of responsibility, the precise title of his job, and the description of his duties.

Again, I want to assure you of my great esteem for your past performance as Chief Medical Director and my complete confidence in your future leadership of the Department of Medicine and Surgery. I regret greatly the considerable unpleasantness and uncertainty which has surrounded your position over the past months, and trust that you and your principal deputies and assistants will proceed immediately to administer the Department in full conformity with applicable law and regulation and the highest principles of medicine.

With best wishes.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., November 2, 1973.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of October 24, 1973 and for your expression of confidence in my stewardship of the Department of Medicine and Surgery of the Veterans Administration.

It is my opinion that the recent publicity dealing with the reorganization of the Department of Medicine and Surgery has concentrated excessively and unnecessarily upon the Office of Field Operations and the appointment of Mr. David Anton as its Director. It is not a new office. In the new table of organization, the Office of Field Operations is one of the eight major elements into which the total functions of the Department are broken down. One of these, the Office of Policy and Planning is directed by Dr. Howard Kenney, Associate Deputy Chief Medical Director, as provided by Section 4103(a)(3), Title 38. The others, Professional Services, Dentistry, Research and Development, Academic Affairs, Administrative Services, and Field Operations are directed by Assistant Chief Medical Directors, as provided by Section 4103(a)(4), Title 38. Two of these positions, Administrative Services (Mr. Arthur Farmer) and Field Operations (Mr. David Anton) are held by non-medical administrators, in accordance with the provisions of Public Law 93-82. All of these offices have great importance in the overall operation of the Department, and for the Department to operate efficiently and effectively, their functions are well defined, organized and coordinated.

The Office of Field Operations has the unique feature, however, of providing the Chief Medical Director with a control point for the many day to day transactions that must take place between Central Office and the hospitals and clinics in the field. Policies, plans, budget allocations, and other directions important to the operation of our field stations are transmitted *through* this office; reports of experiences of field stations, their needs, plans, problems and the like, are received by this office and transmitted to the Chief Medical Director, the Deputy Chief Medical Director and the appropriate elements of the central office organization for their actions. Our experience has indicated that a control point of this type is essential for the proper coordination and maximum efficiency of the total operation of the Department. However, it is neither a policy making nor a decision making office unto itself; its efficient functioning depends upon the manner in which it relates to other elements of the Department. That this is done is the responsibility of the Chief Medical Director, and it is from this responsibility that the administrative control of the Department by the Chief Medical Director is clearly established.

As I have indicated heretofore, Mr. Anton's official designation in the Department of Medicine and Surgery is as Assistant Chief Medical Director for Field Operations.

Because of the confusion and concern over the organizational title of Mr. Anton, Mr. Johnson has ordered that a more appropriate title be used. That recommendation will be submitted for his approval in a few days. In total candor, I should point out that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title.

Since Mr. Anton has a Title 38, four year appointment, he does not have a job description.

Sincerely,

M. J. MUSSER, M.D.,
Chief Medical Director.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., November 6, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: Thank you for your November 2 letter in response to my October 24 letter to you, regarding the Department of Medicine and Surgery of the Veterans Administration.

The content of your letter should be exceedingly helpful in setting forth the organizational responsibilities to be carried out by the Office of Field Operations under the direction of an Assistant Chief Medical Director, appointed pursuant to section 4103 (a)(4) of title 38. Your explanation that such Office will fuction as a transmittal point between you, the Deputy Chief Medical Director, and other appropriate Central Office DM&S activities and thus is not either a policy-making or a decision-making office, should serve to dispel the grave concerns that have been expressed by medical schools and other health institutions and veterans organizations about this situation.

In that connection, I hope that you and Mr. Johnson will move as rapidly as possible to remove the confusion which has been caused by the designation of the head of the Office of Field Operations as an "Associate Chief Medical Director" by making an appropriate redesignation of the title of that position. It would seem, in view of your very cogent description, in the second paragraph of your November 2 letter, of the parallel nature of the Field Operations Office with the five other Offices directed by Assistant Chief Medical Directors (also appointed pursuant to section 4103(a)(4) and in view of your statement that the "official designation in the Department of Medicine and Surgery [of the incumbent of that position, Mr. David Anton] is as Assistant Chief Medical Director for Field Operations . . .", that the redesignation should accord precisely with the statutory authority.

I must also add that I am puzzled by your statement "that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title." First, you seem to note the inapplicability of whatever the above assertion is supposed to demonstrate, by stating in the next sentence that Mr. Anton "does not have a job description . . ." (which I take it is synonymous with "job classification") because he holds a title 38, four-year appointment. My point has been and continues to be that an individual appointed to a *statutory* office under title 38 should carry the official designation set forth in the statute as his organizational and only title.

In any event, I would appreciate receiving from you in due course an explanation of the discrepancies between the organizational titles and the job classification titles of the 39 key DM&S officals to whom you refer, as well as a full explanation of the reasons for such discrepancies.

Finally, it is my understanding that VA personnel regulations require that persons holding title 38 four-year appointments shall be notified no later than 60 days in advance of the termination date of such appointments of whether or not the appointing official (in your case the Administrator) will reappoint such person. Since I believe that November 5 would have been the deadline for such notification in your case, could you please advise me whether or not you have received such notification from the Administrator and, if so, what was the content of such notification. In addition to indicating the current status of your position, would you also indicate the current status of Dr. Benjamin Wells and Mr. Ralph Casteel. I would appreciate your addressing yourself to these matters at your very earliest convenience.

With best wishes.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., November 7, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, U.S. Senate Committee on Veterans' Affairs, Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your November 6 letter. I am pleased you found my description of the interrelationships between the various organizational elements of the Department of Medicine and Surgery of the Veterans Administration to be helpful in explaining some of the questions which have surfaced regarding the recent reorganization of the Department.

I have initiated a tabulation of the thirty-nine key officials in the Department of Medicine and Surgery, Central Office, whose organizational titles do not correspond to their job classifications. This will require a short period of time, but I will forward it to you as soon as it becomes available.

On November 5, 1973, the Administrator of Veterans Affairs notified me of his plan to renew my appointment as Chief Medical Director effective January 5, 1974. A copy of his letter is attached.

In regard to Dr. Benjamin Wells, the Administrator of Veterans Affairs notified him on October 31, 1973 that his assignment as Director of the Veterans Administration Hospital, Birmingham, Alabama had been postponed indefinitely. This was done in order to enable Dr. Wells to continue as Deputy Chief Medical Director during this period when many critical new programs are being implemented. The Administrator indicated that an appropriate date for Dr. Wells' transfer to Birmingham would be decided in the future.

When the Administrator of Veterans Affairs and I met with Dr. James Cavanaugh and Mr. Paul O'Neill on Friday, October 19, it was agreed that Mr. Ralph Casteel would continue in his assignment as Executive Assistant to the Chief Medical Director for the immediate future. It is my firm conviction that the most critical need at the present time is to establish the stability of the management of the Department of Medicine and Surgery of the Veterans Administration. For a number of reasons both Dr. Wells and Mr. Casteel will help immensely to do this if, indeed, I am reappointed as the Chief Medical Director. There probably has been no time in the recent history of the Department of Medicine and Surgery when as many critical issues and opportunities for growth and development have existed. The strength of the leadership which is available to the Department will determine the extent to which we can exploit the advantages which now are available to us.

Your continuing interest in and concern with the affairs of the Department of Medicine and Surgery are very much appreciated.

Sincerely,

M. J. MUSSER, M.D.,
Chief Medical Director.

OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., November 5, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: In accordance with the provisions of Veterans Administration personnel policy manual, I wish to notify you that I plan to renew your appointment as Chief Medical Director, effective January 5, 1974.

This renewal will be made under the terms and conditions of our previous discussions. I fully expect that our agreements will be carried out with the mutual objective of providing the most effective administration of Veterans Administration medical programs.

Sincerely,

DONALD E. JOHNSON,
Administrator.

MEMORANDUM

OCTOBER 31, 1973.

To: Deputy Chief Medical Director (10A) through Chief Medical Director (10).
From: Administrator (00).
Subject: Request for reassignment.

1. Referring to your memo of September 12 and my reply of October 1, as well as our several personal meetings, please be informed that I am modifying your request for reassignment by asking that you remain on duty as Deputy Chief Medical Director for an indefinite period.

2. If you will agree to delaying the previously agreed upon reporting date of December 1, it would serve the Agency well. The initial implementaation of recently passed legislation could, and would, be expedited if your services in the office of the Chief Medical Director were available.

3. It is, however, my intention to comply not only with your original request, but also with your repeated requests given verbally that you are still desirous of reassignment to the Birmingham VAH as the Hospital Director. When the reporting date is decided upon you will, of course, be given ample opportunity to prepare for the move as is customary.

4. You are requested to inform Dr. Richardson Hill and Mr. Clyde Cox that your reporting date has been postponed indefinitely. Please provide me with a copy of your communication to these individuals.

DONALD E. JOHNSON.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., November 3, 1973.

Hon. DONALD E. JOHNSON,
Administrator of Veterans' Affairs, Veterans Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: This letter is further with regard to my September 21, 1973, letter to you, the October 5, 1973, letter to me from Honorable Melvin R. Laird, Counsellor to the President for Domestic Affairs, my October 24, 1973, letter to Dr. Marc J. Musser, Chief Medical Director of the Veterans Administration, a copy of which I sent you at that time, Dr. Musser's November 2, 1973, response (copy enclosed), my November 6, 1973, reply (copy enclosed) to Dr. Musser's November 2 letter, and Dr. Musser's November 7, 1973 reply (copy enclosed) to my November 6 letter, all with regard to the organization and leadership of the VA Department of Medicine and Surgery.

Dr. Musser enclosed with his November 7 letter a copy of your November 5, 1973, letter to him in which you notified him that: "I plan to renew your appointment as Chief Medical Director, effective January 5, 1974." Given the great confusion and apparent misunderstanding which has been aroused in the medical school community, veterans organizations, and the press with regard to Dr. Musser's future status and the proposed October 1 reorganization of the Department of Medicine and Surgery, it seems to me that it would be most desirable if Dr. Musser's reappointment were actually made and publicly announced immediately. In this connection, there still seems to be some doubt at least in Dr. Musser's mind, as to when or indeed whether his reappointment will

actually be effected, an inference which I draw from the statement in his November 7 letter, ". . . if, indeed, I am reappointed as Chief Medical Director."

Thus, I urgently wish to know on what date you intend to carry out your "plan" to reappoint Dr. Musser as Chief Medical Director and exactly when you intend to publicly announce such reappointment action. I must say that my concern over the fact that this has not yet been publicly done is heightened by the fact that you did not take the occasion—which would have seemed to me most opportune from numerous points of view—to make such an announcement when you addressed the Association of American Medical Colleges meeting on November 5, the same day of your letter to Dr. Musser notifying him of your reappointment "plan".

Another matter of serious concern to me contained in your November 5 letter to Dr. Musser is your statement that your renewal of his appointment "will be made under the terms and conditions of our previous discussions . . ." and your reference to "agreements" between you and Dr. Musser. In view of my deep and continuing concern about the future direction and leadership of the Department of Medicine and Surgery and the assurances I have been provided by Mr. Laird during the negotiation of, and those contained in, his October 5, 1973, letter to me, I felt it is essential that the Subcommittee and the public fully understand exactly what terms and conditions and agreements you plan to attach as conditions to Dr. Musser's continued service as Chief Medical Director.

The duties and responsibilities of the Chief Medical Director in many respects are derived directly from title 38: nine specific authorities are bestowed directly and solely upon the Chief Medical Director,[1] and ten responsibilities are shared with the Administrator, that is, they relate to functions which can be carried out only with recommending action by the Chief Medical Director to the Administrator.[2] It is, therefore, vitally important under all of the present circumstances that you advise us of precisely what terms, conditions, and agreements you intend to impose on Dr. Musser's reappointment to carry out his statutory and other duties and responsibilities as Chief Medical Director for another term.

I am most desirous of bringing this entire matter to a rapid and final resolution and conclusion so that all concerned can direct their attention to the vitally important responsibility of providing first quality and compassionate health care to our Nation's disabled veterans, as well as to the implementation of Public Law 92-541 and Public Law 93-82. I would, therefore, appreciate a reply at your earliest convenience to the two points on which I have requested clarification.

Thank you for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

FOOTNOTES

[1] See section 4108(a)(1) (authority to make exceptions to permit health professionals to assume certain outside patient care responsibilities for periods of 180 days); section 4110(a) (appointment of disciplinary boards, under regulations prescribed by the Administrator); section 4110(c) (designation or appointment of one or more disciplinary board investigators); section 4113 (detailing health professionals to professional meetings); section 4114(a)(3) (extension beyond one year of appointments of temporary health professionals); section 4114(c) (exception to citizen employment rule to permit employment of aliens when determined qualified citizen medical personnel not recruitable); section 4114(d) (waiver of State licensure requirement for physicians and dentists or registration for nurses in certain cases); subchapter III of chapter 73 (designation of Regional Medical Education Centers; operation and supervision of such Centers; assignment of, and contracting for, teaching staff; and selection of personnel for training); and section 5001 (a)(2) (periodic analysis of agency-wide admission policies and records).

[2] See section 4101(c)(1) (consultation with Chief Medical Director regarding concluding negotiation of agreement with National Academy of Science and regarding extension of time for NAS filing of report under such agreement); section 4103(a)(4) (recommendation to the Administrator with respect to the appointment of the eight Assistant Chief Medical Directors); section 4103(a)(4) (direct responsibility for operation of the Dental Service); section 4103 (a)(5) (recommendation to the Administrator with respect to the appointment of Medical Directors); section 4103(a)(6) (direct responsibility for operation of the Nursing Service); section 4112(a) (nomination to the Administrator of members of the special medical advisory group); section 4112(b) (receipt, along with the Administrator, of advice from deans committees and other medical advisory committees); section 4114 (a)(1) (recommendation to the Administrator with respect to appointments of health personnel); section 4115 (promulgation of rules and regulations, with the Administrator's approval, for administration of DM&S); and section 5001(a) (prepare report for submission by the Administrator to Congress on results of admission policy and case analysis and number of additional beds and treatment capacities and appropriate staffing needed therefor).

VETERANS' ADMINISTRATION,
Washington, D.C., November 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Committee on Veterans' Affairs, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of November 8 relative to your interest in the organization and leadership of the VA's Department of Medicine and Surgery.

As you know, I notified Dr. Marc J. Musser on November 5 of my intention to reappoint him as Chief Medical Director, effective January 5, 1974. On Wednesday, November 21, Dr. Musser advised me of his intention to accept this reappointment. I am, therefore, pleased to furnish you herewith a copy of our press release of this date, announcing his reappointment.

This agreement between Dr. Musser and myself is conditioned only upon his continuing to carry out the legal responsibilities of the office and to give maximum thrust to the policy initiatives of this administration in the field of veterans' medical care.

Sincerely,

DONALD E. JOHNSON,
Administrator.

VETERANS' ADMINISTRATION NEWS,
November 26, 1973.

The reappointment of Dr. Marc J. Musser as Chief Medical Director of the Veterans' Administration was announced today by Donald E. Johnson, Administrator of Veterans Affairs.

Originally named to the position January 5, 1970, Dr. Musser became the seventh Chief Medical Director since the modern VA Department of Medicine and Surgery was established by law in January 1946. His reappointment—extending to January 1978—provides a tenure of service matched by only one predecessor. Dr. William S. Middleton was VA's Chief Medical Director from 1955 to 1963.

As Chief Medical Director, Dr. Musser will continue to direct the largest medical complex in the United States. The VA medical system includes 170 hospitals and 205 outpatient clinics, and employs 7,600 regular-salaried physicians as well as some 20,000 nurses.

"I am delighted that Dr. Musser has accepted reappointment," Administrator Johnson said. "Under his capable leadership we can continue the dynamic progress I feel VA medicine has made during the past four years."

In accepting the new four-year appointment, Dr. Musser expressed appreciation for the confidence in his leadership evidenced by the reappointment action. "I am grateful," he added, "for the opportunity to carry on in this program so vitally important to our veterans, and to work with Administrator Johnson and a VA medical team, which I believe is outstanding in its competence and dedication."

The 63-year-old VA medical chief received his B.A. Degree in 1932 and his M.D. Degree in 1934, both from the University of Wisconsin. Following internship at the Kansas City, Mo., General Hospital, he completed his residency in medicine and neuropsychiatry at the University of Wisconsin, and then joined the university's medical school faculty in 1938.

He returned to the university medical teaching staff following four years Army service in World War II during which he attained the rank of Colonel and commanded the 135th Medical Group overseas.

He first joined the VA in 1957 as a member of the Houston VA Hospital staff where he also served as a professor of medicine at the Baylor University School of Medicine.

Moving to the VA headquarters in Washington in 1959 to head up all VA medical research, he later was promoted to direct both the agency's medical research and medical education programs, and then became the number two man for the entire medical department as Deputy Chief Medical Director.

In October 1966, he left VA to establish and direct the North Carolina Regional Medical Program, and also to chair a steering committee providing coordination for all of the nation's 55 regional medical programs. In the four years prior to his 1970 return to VA as Chief Medical Director, he also served as professor of medicine at the Duke University School of Medicine and the Charles Bowman Center of Wake Forest University.

Dr. Musser is a Fellow of the American College of Physicians and a member of the Central Society for Clinical Investigation, the Central Clinical Research Club, the Central Interurban Clinical Society, the Texas Academy of Internal Medicine and the American Medical Association. He is also a member of the Board of Trustees of the American Hospital Association and a past president of the Association of Military Surgeons of the U.S.

The author of many articles on clinical research and a wide variety of other medical subjects, he is married to the former Alice Balcuns Dryden, and lives in Arlington, Va.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., November 30, 1973.

Dr. MARC J. MUSSER,
Chief Medical Director, Veterans' Administration, Washington, D.C.

DEAR DR. MUSSER: I am writing in further regard to your November 2 and 12, 1973, letters to me regarding, respectively, the appropriate position title for the DM&S Central Office officer directly responsible to you for field operations and the organizational titles and job classifications of key DM&S officials.

In your November 2 letter you state:

As I have indicated heretofore, Mr. Anton's official designation in the Department of Medicine and Surgery is as Assistant Chief Medical Director for Field Operations.

Because of the confusion and concern over

the organizational title of Mr. Anton, Mr. Johnson has ordered that a more appropriate title be used. That recommendation will be submitted for his approval in a few days. In total candor, I should point out that out of the 45 key officials in DM&S Central Office, only six (6) have the same organizational title as their job classification title.

In your November 12 letter you listed the titles and grades of the so-called DM&S key officials referred to in your November 2 letter. It seems to me that the critical circumstance to be drawn from that list in connection with the designation of the appropriate organizational title for Director of the Office of Field Operations is that of the six persons officially designated as Assistant Chief Medical Directors, pursuant to section 4103(a)(4), all carry an organizational title as Assistant Chief Medical Director (for the appropriate Office) with the exception of the ACMD presently carrying the organizational title "Associate Chief Medical Director for Operations". It, therefore, seems to me that this latter organizational designation is out of line with the uniform organizational designations of the other ACMD's and that position should be given the organizational title of Assistant Chief Medical Director for Field Operations.

I would greatly appreciate your advising me as quickly as possible as to what recommendations you have submitted to Mr. Johnson in connection with the appropriate organizational title for that position and what action he has taken on that recommendation.

Thank you for your continuing cooperation with the Subcommittee.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals.

VETERANS' ADMINISTRATION,
Washington, D.C., December 26, 1973.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Washington, D.C.

DEAR MR. CHAIRMAN: In reply to your letter of November 30, 1973, I am pleased to inform you that the Administrator of Veterans Affairs and I have agreed that the title for the office which Mr. David Anton presently occupies in the Department of Medicine & Surgery of the Veterans Administration will be Assistant Chief Medical Director for Field Operations.

May I also take this opportunity to wish you and the members of your staff a Very Merry Christmas.

Sincerely,

M. J. MUSSER, M.D.,
Chief Medical Director.

THE SINGLE PARENT

Mr. MATHIAS. Mr. President, WRC radio's "Urban Insight" program recently carried a most interesting discussion on the single parent—the unmarried man or woman, black or white, who has decided to become a parent by adoption. Almost every State in the Union now has a small but growing number of such people—widowed, divorced, or never married—who have worked sometimes against considerable odds to adopt their children. I have become aware of this phenomenon recently, as several single parents among my constituents have contacted me because of my membership on the Judiciary Committee, which has before it a bill to facilitate immigration of children adopted by single persons.

Mr. President, I would like to call the interview to the attention of my colleagues, and I ask unanimous consent that a transcript of the discussion be printed in the RECORD.

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

WRC "URBAN INSIGHT" MARCH 16, 1974

This is Dwight Ellis, your host for Urban Insight. This week we're going to be talking with three very unusual people. We're talking today with single adoptive parents. No doubt this is a new and unique term that many of you have not heard about yet, but we're going to find out quite a bit about this.

We have three guests. First of all, Kathy Sreedhar; Kathy is an American widow of an Indian. She has adopted a year-old infant from an orphanage in New Delhi, some years after her husband's death. She worked for the Peace Corps and is now working for AID.

We also have Chuck Ackerman, who has adopted three children whom he met during his tour in Viet Nam. His children are all-Vietnamese. I believe, Chuck, you also have a child by a previous marriage, correct? I might mention that Mr. Ackerman is in the Air Force and is detailed to the U.S. Arms Control and Disarmament Agency.

Last but not least, we have Hope Marindin. Hope adopted two newborn infants, two years apart, from the United States, I believe. Hope has never been married and works as a management analyst for the District of Columbia Government.

Welcome to Urban Insight! Perhaps you can tell me a little bit about this concept of single adoptive parents. Kathy?

KATHY. I don't know that it's really a concept. We're all very different from each other. We just happen to be single, either never-married or widowed or divorced, and we wanted children and had to work much harder than anybody else to get them.

DWIGHT. Why is it so difficult for a single parent to adopt a child, assuming that you have an adequate income, good moral character and things of that sort?

KATHY. It's very difficult now for anyone to adopt. The baby boom of 1965 is gone, and because of abortion and birth control and people keeping their own children, there are just very few children available even if you are a married couple and meet all those requirements. So what happens is that if there are few babies the agencies, if they are going to make judgments on who should get children and who shouldn't, they just put single parents on the bottom of the list.

DWIGHT. Chuck, I find your situation very interesting. You were in Viet Nam; you apparently met the three children whom you adopted while you were in Viet Nam. How did you come to meet these three children?

CHUCK. A civilian friend of mine who worked in an office there had met the three children out in town, and he had seen where they had some need to have someone to take care of them, and they started visiting with him quite a bit in his apartment. He worked for a company there—it was a contract with the government, but he had an apartment owned by the company. He had met the mother and she had agreed to let the children stay sometimes with him and he invited me out to meet them.

The mother was widowed; her husband had been killed, in fact, when she had a small baby, and she had the baby plus four other children. So she had to go out and work and she worked during the daytime as a secretary and she worked as a waitress type of person at night, till eleven o'clock. It was quite a difficult thing; it's even difficult in this country for a mother to take care of four children.

She had given up the smallest child to her sister so she could go out and work, and then she had four others. I met them through this friend of mine, and I thought I might like to adopt the children, so I talked to the mother then. I hadn't met her till then. She agreed and so we went through all the process of adoption.

I would have adopted all four, except that the Vietnamese have a rule about age differences. You have to be at least twenty years older than the oldest child you're going to adopt, and there was one girl who was within nineteen years of my age, so I couldn't adopt her. But my friend agreed to adopt her, the fellow that had introduced me to the children originally. She went to Hawaii to live with him. They all came over together, incidentally; the adoption was taken care of through the courts at the same time.

DWIGHT. How old are the children?

CHUCK. Right now, the oldest boy is fifteen; next oldest is a boy, thirteen; and there is a girl, eleven. They came over here two and a half years ago, and I met them in 1969.

There's a lot of rules about international adoptions and then you have to go through the U.S. Information Service. Viet Nam has quite a few restrictions, and then you have problems with the U.S. Government.

DWIGHT. I want to get to Hope. You have two infants?

HOPE. They're not infants now. I adopted Jerry at the age of four days, about three and a half years ago, in San Francisco; he's Spanish-Mexican. And then I adopted Caleb nineteen months ago when he was seven days old, in Alaska. He is half-Indian, half-Irish. And they're no longer infants, so I'm ready for a third child!

DWIGHT. Isn't it pretty expensive?

HOPE. It's not cheap; the largest expense is day care, I'd say, especially when they're younger. There is a very nice income tax deduction put through two years ago as an amendment to the income tax law, which permits you to deduct a good deal of what you spend on day care to enable you to work.

You know, single parent adoption is not illegal anywhere in the United States, and when single parents adopt they do so through the courts, so they fulfill all of the requirements of any state jurisdiction that they are adopting in. I said I was ready for a third child now; it's next to impossible to find a child now in the States, as Kathy has mentioned, so we're looking abroad. Kathy is chairman of an inter-country adoption committee for the Council of Adoptable Children in the Washington Metropolitan area. She is an expert on inter-country adoption for both couples and single parents.

DWIGHT. Do all three of you live in the Washington Metropolitan area?

HOPE. Chuck lives in Silver Spring; we live in the District.

DWIGHT. I believe, Chuck, your children; and Kathy, yours, would be of public school age?

KATHY. No, mine is 2½ and she goes to the HEW day care center.

CHUCK. Mine are public school age and they were when they came. They entered school immediately.

DWIGHT. Are they in public schools?

CHUCK. Right; they're in Montgomery County schools.

DWIGHT. I was going to ask if either of you would insist that your kids go to nonpublic schools.

HOPE. No, I'm going to try out Murch [elementary school in the D.C. public school system] when the time comes for Jerry. Especially with three kids!

KATHY. Why would you ask that?

DWIGHT. It would seem to me that because you're somewhat unusual—I don't want to make you out *that* unusual, but unusual—you might be a little more protective of your children, a little more concerned that they get—a little more so, maybe, than parents whose kids have two parents, that your kids got proper education and proper guidance in school. Consequently, possibly the private or parochial school route.

CHUCK. Well, I have thought of that sort of thing, but it gets to be a problem, at least it is for me, to get a child to and from a private school. Generally they're not as close by as a public school. That has been one of the major considerations. Actually I probably would have my children in a church school, because since I adopted the children I have become married; I was married last April. My wife and I have talked about sending the children to a private school because they do have some special kinds of problems. Being foreign, they have a language problem.

HOPE. They sure don't sound it on the phone.

CHUCK. Sometimes when you get to some of the funny ways we use words, they have a little problem understanding what they are supposed to do.

DWIGHT. Do you speak Vietnamese?

CHUCK. No, I never learned a word of Vietnamese.

DWIGHT. How do you communicate with them?

CHUCK. Before they came I had a private tutor for them, during the time we were waiting. They apparently learned some English, although I didn't think so when I first heard them talk. But you are able to communicate. It's amazing how you can talk to a child. Show them the food, you know, and before you know it they learn English. But then, the subtleties in English; and second, they don't get the basics in grammar. Mine weren't; they have sort of skipped some of the things you have in school and there is just no way, they just don't make it up for them. They don't cover it. So I thought at one time that we would put them in a private school where they would get more individual attention.

KATHY. You said private schools; there are an awful lot of people who aren't single parents who go that route. And I guess I want to emphasize how different we are from each other. The only thing we have in common is that we happen to be single and we happen to want children.

In terms of independence; certainly I feel very independent myself and I think that's one thing that single parents share in common, and therefore we would like our children to be like that. Unlike being over-protective of the kids, I think we are much more—my kid at two years old can handle a full day of nursery school. Sure, she had a little trouble separating at first, but she's much more independent than most two-year-olds that I know.

DWIGHT. Being single, the two ladies: how do you proceed on problems with dates? Does having an adoptive child interfere with your social life at all?

KATHY. In terms of dating, my daughter has changed my life a good deal but she really hasn't changed my life style, meaning that my life style before was that I had a lot of close friends and I saw them in the evening—and I'm not a party-party type; that would be different—so I go visit them just as I always did. She comes along, plays with their kids and I talk to them or we all play together. That part of my life hasn't changed.

In terms of dates, I don't think anybody has ever either taken me out because of it or not taken me out because of her.

HOPE. I can't imagine being attracted to a guy who said "I'll take you, but that kid, she's got to go."

CHUCK. I think it's the same problem that a lot of people have, who are forced into single parenthood, particularly divorced women.

HOPE. They go on dating; so do widows.

CHUCK. I had two and a half years of dating after the children came and that was not a problem. I wouldn't have liked someone who didn't like the children. It may be a filtering process that I liked. I don't think I would like a wife who didn't like children.

The daughter I have by a previous marriage lives with my ex-wife, who lives in North Carolina. We only see her now and then. Typically our home is just the three Vietnamese children, and my wife and me.

DWIGHT. If a single adoptive parent has a child already, I wonder what effect this would have with adoptive children? Would there be much competitiveness for attention, problems with you as a parent, in relating to the natural child and the children who are not by birth?

HOPE. Lots of couples have natural, biological children and have them adopted, and I don't think we would face any more problems than they have. I know a woman who is divorced and who has adopted a child on top of her existing two or three. She has never mentioned any specific problems on that score.

CHUCK. Do you all belong to COAC? [Council on Adoptable Children] Most of the families seem like they have adopted a child after having their own—

HOPE. And then sometimes have another child of their own, according to the newsletter.

CHUCK. Things, I think, work out naturally.

HOPE. But as I say it's hard to get children when you're a single parent, so we're looking abroad. And it is not illegal for a single parent to adopt from abroad, but it's difficult; it's slower. You have to take a slower route.

DWIGHT. You said earlier than it was not illegal for a single parent to adopt a child in this country, but you get all sorts of connotations that it is illegal, or not allowable. Are the policies around?

KATHY. The social work agencies have criteria that they use to judge whether you are going to be a suitable parent or not. Which may or may not have anything to do with whether you are a suitable parent—very, very traditional, a lot of them—the same race, the same religion, different sex from each other, age, not having too many children of your own—there are a lot of families with five children who are having a lot of the same problems that single parents are having, because nobody will give them a sixth even if they are great parents. Some of the agencies have requirements that the mother not work, even in a married couple. So that they make the determination of who is going to be a good parent, which is their right, but the determination, from my point of view, is not always the best in terms of judging suitability.

DWIGHT. Have you heard any talk of discrimination, where employers are concerned? Are there cases of employer discrimination against women who are single and have adopted?

HOPE. They're pretty enthusiastic at my office. For a while my office was a hotbed of adoptive parents anyway, so there was a good deal of sympathy. I did have a supervisor once in a previous job who disapproved of the idea of a single person adopting on the grounds that every child should have two parents. We think so too—every child should have two loving parents, and we should all be saints. But in practice I think we—I think a responsible, well-balanced, well-established single parent, can offer *on the average* as much to a child as a married couple—we think. And in some cases, we're better for the child, I think—considering that one out of three marriages, is it, now, ends in divorce; the child goes through a good deal of trauma, which doesn't happen with a single parent. We're not passing on hang-ups about a spouse that we're fighting with; we're not terrified about making it on our own in the big world—we know we can earn our own living; we've done it for years.

To get back to inter-country adoption, we'd like to do it, but it is a slower route than for couples.

DWIGHT. You mentioned that the wait can be now from nine months to two years.

KATHY. The U.S. Immigration law has various categories under which someone can enter the United States. And if you adopted a child as a married couple you bypass all these categories. You fill out a form and your child comes in. But the immigration law reads that the form has to be filled out by "a U.S. citizen and spouse."

The history of that law: it was originally designed so that the GI's who were stationed in Europe after the war and picked up—or fathered—some children and brought them home to their wives wouldn't surprise their wives with all sorts of children. So they then said, "we'll pass a law so that the spouse has to agree." But the effect of the law is that single parents can't do that. Therefore, we're stuck. There are single parents all over the country who have adopted in Viet Nam or India or somewhere else and who have their children legally, and those children are sitting there and they can't come into the States because they have to wait until their number comes up on the immigration quota. They can't come in the same way as anybody else's children can come.

DWIGHT. Has that law been challenged?

KATHY. It hasn't been challenged in court—someone's thinking about that but it hasn't been challenged in court——

HOPE. As class discrimination——

KATHY. As discrimination, right; but a bill has passed the House that just says "delete 'and spouse'" but it's sitting in the Senate Judiciary Committee, that has other things to worry about these days than single parents!

DWIGHT. Apparently you have a pretty large constituency of single adoptive parents in the Metropolitan area?

HOPE. Actually, it isn't that large. Passionate, but not large; and growing, I guess.

DWIGHT. I note that in this area there is a blind college professor, a secretary at the telephone company, an economist, a child psychologist, a teacher at Gallaudet. And of course you three represented here.

Oh, gosh; running out of time. Let me get this, quick. Where could someone call to get information about single adoptive parents?

HOPE. They could call me, Hope Marindin, at my office, 629-4793, or——

DWIGHT. That's all the time. You have been listening to Dwight Ellis, your host for "Urban Insight." "Urban Insight" is a prerecorded community affairs program on WRC. Thank you for listening; tune in next week.

DEFERRED CONSIDERATION OF FACILITIES AT DIEGO GARCIA

Mr. PELL. Mr. President, I warmly endorse the action today of the Armed Services Committee to defer for later consideration the administration's proposed expansion of facilities at Diego Garcia in the Indian Ocean.

This prudent action squares with the amendment which I introduced on February 26 to delete from the supplemental defense authorization bill the $29 million requested for this expansion.

I have strongly opposed the administration's proposal for converting a supposedly austere communications facility into a naval and air base in the presently unmilitarized Indian Ocean.

I do not believe that funds expended for this purpose is necessary in the defense of our national interest.

But I do believe that the establishment of this facility has potentially serious and very costly implications for our foreign and military policies.

The proposal has not been welcomed, and in many cases, loudly opposed by the littoral states of this vast ocean area. Within the proposal is contained the anatomy of a naval race. That is something the United States and the Soviet Union can ill afford.

In terms of cost effectiveness, an agreement with the Soviets on arms control in the Indian Ocean, I believe, offers the best solution. Senator KENNEDY and I have introduced Concurrent Resolution 76 calling for talks to that end.

Finally, this deferment will meet a concern I share with Senator SYMINGTON that to authorize funds now for the expansion on Diego Garcia could result in their expenditure under a nonexistent agreement. I understand that there has been no signed or initialed agreement with the British, who own the island, for going ahead with the project. Who knows whether the new Labor government will confirm an agreement in principle of the former Conservative government? There are indications that the present government intends to reexamine the proposed expansion on Diego Garcia most carefully.

THE FOOD SHORTAGE

Mr. MATHIAS. Mr. President, there have been increasing signs that, despite the recent "green revolution" and recent actions by the U.S. Department of Agriculture to free additional farmland for production, the world may soon face a severe food shortage. This is a development of the most profound consequences for all world citizens. A widespread food shortage would place severe strains on international diplomacy and the conscience of all mankind.

This week's Newsweek magazine contained a brief summary and analysis of the probability and effects of such a food shortage. I ask unanimous consent that it be printed in the RECORD.

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

RUNNING OUT OF FOOD?

Perhaps in ten years, millions of people in the poor countries are going to starve to death before our very eyes . . . We shall see them doing so upon our television sets. How soon? How many deaths? Can they be prevented? Can they be minimized? Those are the most important questions in our world today.

When that apocalyptic warning was sounded by British author C. P. Snow five years ago, it was dismissed by many food experts as unduly alarmist. At that time, miracle seeds and fertilizers were creating a global "green revolution," and there was even talk that such chronically hungry nations as India would soon become self-sufficient in food. But today that sort of optimism is no longer fashionable. World stores of grain are at their lowest level in years—only enough to last for 27 days—and there are grim signs that the current shortage is not just a temporary phenomenon but is likely to get worse.

In the coming decades, some scholars believe, food scarcity will be the normal condition of life on earth—and not only in the poor countries but in the richer ones as well. Unless present trends are somehow reversed, says biologist J. George Harrar, "millions of people in the poor areas will die of starvation. But the affluent societies [including the United States] will experience dramatically reduced standards of living at home." Even Agriculture Secretary Earl Butz, a notorious optimist on the subject of food, concedes that Americans may have to substitute vegetable for animal protein. "We have the technology," Butz told Newsweek's Tom Joyce reassuringly, "to make better hamburgers out of soy beans than out of cows."

Even now, food shortages affect the entire world. In the last two years, famine has threatened India and visited widespread misery upon the sub-Sahara nations of Africa where an estimated quarter million people have died. Scarcely less shocking, half of the world's 3.7 billion people live in perpetual hunger. The industrial nations are swiftly buying up the dwindling supplies of food and driving up food prices so high that poorer countries cannot afford to pay them.

Prospects for the future are clouded by the old Malthusian specter of population growth. A year from now there will be 4 billion human beings on earth, and by the end of the century that figure is expected nearly to double to 7.2 billion. Food production is simply not growing fast enough to feed that many mouths, and it is unlikely to do so in the decades ahead. A complicating factor in the race between food and people is the burgeoning affluence in such parts of the world as Western Europe, Japan and the Soviet Union. Rising expectations in these areas have bred strong new demands on the world's food supplies. More and more people want their protein in the form of meat rather than vegetables, and this in turn has driven up the need for feed grains for the growing herds of livestock. "Affluence," argues economist Lester Brown, "is emerging as a major new claimant on world food resources."

To meet this proliferating demand for food, insists John Knowles, president of the Rockefeller Foundation, "the world's basic food crops must double in the next eighteen years." The more positive thinkers among the food experts are convinced that this can be done—basically by expanding the area of land under production and by raising the output of crops on the cultivated areas. The world has the means to do the job, they argue—*if* the underproductive countries would order their societies a little better, *if* the richer countries would pump larger amounts of capital and know-how into the less fortunate nations for the development of agriculture, *if* more irrigation and fertilizer were brought into play, *if* mankind would use its common sense.

Many students of the food crisis are far less optimistic. "We have just about run out of good land, and there are tremendous limitations on what we can do in the way of irrigation," contends Prof. Georg Borgstrom of Michigan State University. Economist Brown supports this view. "The people who talk about adding more land are not considering the price," he says. "If you are willing to pay the price, you can farm Mount Everest. But the price would be enormous."

Moreover, Brown and other experts do not expect the sea to solve the world's food problems. Huge fishing fleets have depleted many traditional fishing grounds, and the overall catch is declining. Anchovies, one of the major ingredients in animal feed, recently disappeared from the waters off Peru for two years—largely a result of over-fishing. Water pollution, too, is taking a heavy toll of fish life along the world's continental shelves. And much of the fish that is caught each year is being squandered. "Every year, Americans use tons of tuna fish in pet foods," one food expert points out. "But how much longer will we be able to afford the luxury of feeding our cats and dogs on food people could consume?"

Fertilizer, an essential element, is also becoming prohibitively expensive. Petroleum is a major source of fertilizer, and the towering price of oil thus has a direct effect on agriculture. Dr. Norman Borlaug, sometimes called the "father of the green revolution," has complained bitterly that Arab oil politics, aimed at the industrial countries, will eventually strike most heavily at the developing nations. "India," remarks Brown, "is really up the creek. As a result of the fertilizer shortage, grain production is likely to be off 6 to 9 million metric tons."

On top of all these problems, the world's farmers have been beset by weather conditions that threaten to dislocate food patterns around the world. According to some meteorologists, these changes in climate will probably be a long-range factor. For a variety of reasons, they point out, the earth seems to be cooling off, and this cooling process is causing a southward migration of the monsoon rains. This in turn is producing a dry-weather pattern stretching from the sub-Sahara drought belt through the Middle East to India, South Asia and North China. Even the U.S. could soon be at the mercy of the weather. Some meteorologists are predicting a cyclical return to drought in the Great Plains States—possibly even dust-bowl conditions. "Even a mild drought in this tight supply situation," said one Agriculture Department official, "could be a disaster."

Over the years, the U.S. supplied a staggering $20 billion worth of food to needy countries under Public Law 480, the so-called Food for Peace program. But in recent years, the program has been allowed to wither, and with food demand rising around the world, American farmers—encouraged by the Administration—have flung themselves into the business of exporting food on a strictly cash-and-carry basis. In the fiscal year ending in June 1972, the U.S. exported $8 billion worth of farm products; last year the figure reached $12.9 billion; and when this fiscal year ends in June it is estimated that it will have zoomed to $20 billion. The U.S. now views agricultural products not as a give-away item but as a way of earning the foreign exchange needed to pay for imports, including high-priced crude oil. "Food for crude" is the shorthand for the current policy at the Department of Agriculture.

With virtually all U.S. food surpluses committed to trade, not aid, it is difficult to see how the U.S. can continue to play its old role as provider of food to the world's hungry masses. And there are many people in Washington who do not see this as such a bad thing. "The worst thing we can do for a country," says a State Department official, "is to put it on the permanent dole. That would be an excuse not to solve its own problems, especially population. Now, our thinking is that feeding the world is an international problem, maybe one for the United Nations." That view was underlined last September when Henry Kissinger asked the United Nations to call a world conference on the problems of feeding the world. "No one country can cope with this problem," said the Secretary of State.

In response, the U.N. plans to hold a World Food Conference in Rome this November. Among the major proposals certain to be made are that the less developed nations discourage population growth and that the industrial nations work together to help feed the world's poor. Indeed, Dr. A. H. Boerma, the Dutchman who heads the U.N. Food and Agriculture Organization, has proposed a "world food reserve"—roughly like that of the Biblical Joseph, who advised the Pharaohs to store up grain in good years against future famines. But so far, the suggestion has been greeted with a total lack of enthusiasm in the U.S., Canada and Australia,

the only countries in the world with significant food surpluses.

Resistance to an internationally controlled food reserve is easy enough to understand. Farmers fear that such vast stores of controlled food might, at some point, be unloaded on the world market, sending prices down in a dizzying spiral. And governments do not want to give up a formidable political weapon. In the politics of international food, agriculture may very well turn out to be the United States' ace in the hole. "We are not," declares one high-level Washington official, "going to throw that away too easily."

And so, to a very large extent, the U.S., as the greatest food producer in the world, will still be in a position to determine who gets food in the decades ahead; it will almost certainly be American food and American policy that answer the questions posed by C. P. Snow. "We are going to have some big moral decisions to make," says Sen. Hubert Humphrey. "We will be faced with famine situations in Africa, Asia and other parts of the world where there are victims of rising population and bad weather. But the question, I believe, is going to come down to whether Americans will be willing to cut down on their own consumption to help those poor people."

REAFFIRMING THE BILL OF RIGHTS: FINANCIAL PRIVACY

Mr. MATHIAS. Mr. President, on Monday the Supreme Court handed down its ruling on the cases challenging the constitutionality of sections of the bank secrecy law passed by the Congress in 1970. The Court unfortunately felt that the fundamental constitutional issues raised by these cases were not ripe for decision. Accordingly, it is now imperative that the Congress move promptly to correct its past oversights and insure that the banking system of America does not become a tool for the massive invasion of individual privacy.

Bills have been introduced in both the House and Senate to insure that the Federal Government could obtain needed information about financial transactions of bank customers without violating their civil rights. The Right to Financial Privacy Act, S. 2200, which I joined with Senators CRANSTON, BROCK, ERVIN, PACKWOOD, and TUNNEY in introducing last July, is now before the Senate Subcommittee on Financial Institutions. I am hopeful that prompt action can be taken on this legislation.

I ask unanimous consent that a syllabus of the Court's opinion be printed in the RECORD, together with a press statement which I issued concerning the Court's opinion, news articles and editorials about the opinion, and a statement I made concerning the need for congressional action at the time S. 2200 was introduced.

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

MATHIAS URGES ACTION TO SAFEGUARD PRIVATE BANK RECORDS

Senator Charles McC. Mathias, Jr. (R-Md.) said that the Supreme Court's Monday ruling on the 1970 Bank Secrecy law has handed the job of protecting privacy of bank records back to the Congress, where it rightly belongs.

The Supreme Court let stand the 1970 "Bank Secrecy" law which permits the Federal government to require banks to microfilm every bank transaction of every American. Mathias urged the Senate Subcommittee on Financial Institutions to act promptly on pending legislation to prevent disclosures of private bank records to government officials without proper procedural safeguards.

"An individual's bank account is not just another collection of paper. It is extremely revealing as to the details of the customer's personal and political life. It reflects with considerable accuracy an individual's exercise of his rights under our Constitution, and particularly his First Amendment rights."

"Abuse of individual rights is now encouraged by the fact that government personnel, by their own admission, obtain detailed information on individuals from financial institutions without any notice to or consent by any court or the individual bank customer. The legislation which I have sponsored would allow government agencies to obtain the information they need for proper purposes while ensuring that individual rights and liberties will be protected. This bill would permit agencies to obtain information by administrative subpoena, judicial subpoena, search warrants or with customer consent."

Mathias said the Supreme Court's opinion—California Bankers Association v. Schultz—sidestepped the fundamental Constitutional issues which surround this legislation. "The Court held that the requirements for record-keeping under the 1970 Act did not, by themselves, change the 'existing law' governing access to those records by the government. But the Court ignored that this 'existing law' is woefully inadequate, if not totally non-existent.

"We are still confronted with the fact that there are no reasonable guarantees that the fundamental Constitutional rights of American citizens will not be violated. Accordingly, it is now even more urgent that the Congress enact corrective legislation," Mathias said.

[Supreme Court of the United States, Syllabus]

CALIFORNIA BANKERS ASSN. *v.* SHULTZ, SECRETARY OF THE TREASURY, ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

No. 72–985. Argued January 16, 1974—Decided April 1, 1974.*

The Bank Secrecy Act of 1970, which was enacted following extensive hearings concerning the unavailability of foreign and domestic bank records of customers thought to be engaged in illegal activities, authorizes the Secretary of the Treasury to prescribe by regulation certain bank recordkeeping and reporting requirements, the Act's penalties attaching only upon violation of the regulations thus prescribed. (Unless otherwise indicated, references below to the Act also include the accompanying regulations.) The Act is designed to obtain financial information having "a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings." Title I of the Act requires financial institutions to maintain records of their customers' identities, to make microfilm copies of checks and similar instruments, and to keep records of certain other items. Title II of the Act requires the reporting to the Federal Government of certain foreign and domestic financial transactions. Title II, § 231, requires reports of the transportation of currency and specified instruments exceeding $5,000 into or out of the country, exception being made, *inter alia*, for banks and security dealers. Section 241 requires individuals with bank accounts or other relationships with foreign banks to provide specified information on a tax return form. Section 221 delegates to the Secretary of the Treasury the authority to require reports of transactions "if they involve the payment, receipt, or transfer of United States currency, or such other monetary instruments as the Secretary may specify . . ." § 222 providing that he may require such reports from the domestic financial institution involved, the parties to the transaction, or both, and § 223 providing that he may designate financial institutions to receive the reports. Under the implementing regulations only financial institutions must file reports with the Internal Revenue Service (IRS), and then only where the transaction involves the deposit, withdrawal, exchange, or other payment of currency exceeding $10,000. The regulations provide that the Secretary may grant exemptions from the requirements of the regulations. Suits were brought by various plaintiffs challenging the constitutionality of the Act, principally on the ground that it violated the Fourth Amendment, because when the bank makes and keeps records under compulsion of the Secretary's regulations it acts as a Government agent and thereby engages in a "seizure" of its customer's records. A three-judge District Court, through upholding the recordkeeping requirements of Title I of the Act and the foreign transaction reporting requirements of Title II, concluded that the domestic reporting provisions of Title II, §§ 221–223, contravened the Fourth Amendment, and enjoined their enforcement. Three separate appeals were taken. In No. 72–985, the California Bankers Association, a plaintiff below, asserts that Title I's recordkeeping provisions violate (1) due process, because there is no rational relationship between the Act's objectives and the required recordkeeping and because the Act is unduly burdensome, and (2) rights of privacy. In No. 72–1196, a bank plaintiff, certain plaintiff depositors, and the American Civil Liberties Union (ACLU) also a plaintiff, as a depositor in a bank subject to the recordkeeping requirements and as a representative of its bank customer members, attack both the Title I recordkeeping requirements and the Title II foreign financial transaction reporting requirements on Fourth Amendment grounds; on Fifth Amendment grounds, as violating the privilege against compulsory self-incrimination; and on First Amendment grounds, as violating free speech and free association rights. In No. 72–1073, the United States asserts that the District Court erred in holding Title II's domestic financial transaction reporting requirements facially invalid without considering the actual implementation of the statute by the regulations. *Held:*

1. Title I's recordkeeping requirements, which are a proper exercise of Congress' power to deal with the problem of crime in interstate and foreign commerce, do not deprive the bank plaintiffs of due process of law. Pp. 21–26.

(a) There is a sufficient nexus between the evil Congress sought to address and the recordkeeping procedure to meet the requirements of the Due Process Clause of the Fifth Amendment, and the fact that banks are not mere bystanders in transactions involving negotiable instruments but have a substantial stake in their availability and acceptance and are the most easily identifiable party to the instruments, make it appropriate for the banks rather than others to do the recordkeeping. *United States* v. *Darby*, 312 U. S. 100; *Shapiro* v. *United States*, 335 U. S. 1. Pp. 21–25.

(b) The cost burdens on the banks of the recordkeeping requirements are not unreasonable. Pp. 25–26.

(c) The bank plaintiffs' claim that the recordkeeping requirements undermine the right of a depositor effectively to challenge an IRS third-party summons is premature,

*Together with No. 72–1073, *Shultz, Secretary of the Treasury, et al* v. *California Bankers Assn. et al.*; and No. 72–1190, *Stark et al.* v. *Shultz, Secretary of the Treasury, et al.*, also on appeal from the same court.

absent the issuance of such process involving a depositor's transactions. P. 27.

2. Title I's recordkeeping provisions do not violate the Fourth Amendment rights of either the bank or depositor plaintiffs, the mere maintenance by the bank of records without any requirement that they be disclosed to the Government (which can secure access only by existing legal process) constituting no illegal search and seizure. Pp. 28–30.

3. Title I's recordkeeping provisions do not violate the Fifth Amendment rights of either the bank or depositor plaintiffs. Pp. 30–31.

(a) The bank plaintiffs, being corporations, have no constitutional privilege against compulsory self-incrimination by virtue of the Fifth Amendment. *Hale* v. *Henkel*, 201 U.S. 43, 74–75. Pp. 30–31.

(b) A depositor plaintiff incriminated by evidence produced by a third party sustains no violation of his own Fifth Amendment rights. *Johnson* v. *United States*, 228 U. S. 457, 458; *Couch* v. *United States*, 409 U. S. 322, 328. Pp. 30–31.

4. The ACLU's claim that Title I's recordkeeping requirements violate its members' First Amendment rights since the challenged provisions could possibly be used to identify its members and contributors (cf. *NAACP* v. *Alabama*, 357 U. S. 440), is premature, the Government having sought no such disclosure here. Pp. 31–32.

5. The reporting requirements in Title II applicable to foreign financial dealings, which single out transactions with the greatest potential for avoiding enforcement of federal laws and which involve substantial sums, do not abridge plaintiffs' Fourth Amendment rights and are well within Congress' powers to legislate with respect to foreign commerce. *Carroll* v. *United States*, 267 U. S. 132, 154; *Almeida-Sanchez* v. *United States*, 413 U. S. 226, 272. Pp. 35–39.

6. The regulations for the reporting by financial institutions of domestic financial transactions, are reasonable and abridge no Fourth Amendment rights of such institutions, which are themselves parties to the transactions involved, since neither "incorporated nor unincorporated associations [have] an unqualified right to conduct their affairs in secret." *United States* v. *Morton Salt Co.* 338 U.S. 632, 652. Pp 39–43.

7. The depositor plaintiffs, who do not allege engaging in the type of $10,000 domestic survey currency transaction requiring reporting, lacking standing to challenge the domestic reporting regulations. It is therefore unnecessary to consider contentions made by the bank and depositor plaintiffs that the regulations are constitutionally defective because they do not require the financial institution to notify the customer that a report will be filed concerning the domestic currency transaction. Pp. 43–46.

8. The depositor plaintiffs who are parties in this litigation are premature in challenging the foreign and domestic reporting provisions under the Fifth Amendment. Pp. 48–51.

(a) Since those plaintiffs merely allege that they intend to engage in foreign currency transactions with foreign banks and make no additional allegation that any of the information required by the Secretary will tend to incriminate them, their challenge to the foreign reporting requirements cannot be considered at this time. *Communist Party v. SACB*, 367 U.S. 1, 105–110, followed; *Albertson* v. *SACB*, 382 U.S. 70, distinguished. Pp. 48–50.

(b) The depositor plaintiffs' challenge to the domestic reporting requirements are similarly premature, since there is no allegation that any depositor engaged in a $10,000 domestic transaction with a bank that the latter was required to report and no allegation that any bank report would contain information incriminating any depositor. *Marchetti* v. United States, 390 U.S. 39; *Grosso v. United States*, 390 U.S. 62; and *Haynes* v. *United States*, 390 U.S. 85, distinguished. Pp. 50–51.

9. The bank plaintiffs cannot vicariously assert Fifth Amendment claims on behalf of their depositors under the circumstances present here, since the depositors cannot assert those claims themselves at this time. See para. 8, *supra*. P. 47.

10. The contentions of the ACLU that the reporting requirements with respect to foreign and domestic transactions invade its First Amendment associational interests are too speculative and hypothetical to warrant consideration, in view of the fact that the ACLU alleged only that it maintains accounts at a San Francisco bank but not that it regularly engages in abnormally large domestic currency transactions, transports or receives monetary instruments from foreign commercial channels, or maintains foreign bank accounts. Pp. 51–52. 347 F. Supp. 1242, affirmed in part, reversed in part, and remanded.

REHNQUIST, J., delivered the opinion of the Court, in which BURGER, C. J., and STEWART, WHITE, BLACKMUN, and POWELL, JJ., joined. POWELL, J., filed a concurring opinion, in which BLACKMUN, J., joined. DOUGLAS, BRENNAN, and MARSHALL, JJ., filed dissenting opinions.

[From the Baltimore Sun, Apr. 3, 1974]

CRIME AND PRIVACY

There is a tragic aspect to the law enforcement problem. Many measures which inhibit or catch criminals also harass the innocent. It is not uncommon, in a controversy over a proposed measure, for both its law and order proponents and civil libertarian opponents to be right, as far as they go. The Bank Secrecy Act of 1970, which effectively ended bank secrecy, is such a measure.

The law authorizes the Secretary of the Treasury to require banks to record most transactions their customers make, and provide these records to investigators. The law is meant to prevent organized crime from laundering money abroad, to identify dirty money, to prosecute fraud and income tax exasion. It makes the prosecution a better match for the sophisticated law-breaker. The law also provides the government with the ability to learn about your private affairs, associations and even causes to which you might contribute by check, whoever you are. The bill was supported by distinguished law enforcers. It was opposed not only by civil libertarians, but by the banking industry, which saw it as an expensive red tape nuisance, and the financial community, which feared it would depress foreign investment in America. The administration initially supported and then opposed major provisions which became law anyway.

A constitutional attack on the law by the California Bankers Association, aided by the American Civil Liberties Union, has just failed before the Supreme Court. The court's frequent six-man majority upheld the law in the cases before it. The three liberals dissented because, in the words of Justice Douglas, they were "not yet ready to agree that America is so possessed with evil that we must level all constitutional barriers to give our civil authorities the tools to catch criminals." Justice Rehnquist for the majority chose not to confront the constitutional issues so much as to find that the particular plaintiffs lacked standing to raise them. Justice Powell and Blackmun, concurring, worried lest the government inspect smaller transactions, signalling that a 6–3 majority could potentially swing 5–4 the other way. The net result is to turn down the bankers and challenge the American Civil Liberties Union to find plaintiffs better able to show that the law violates their rights against unreasonable search and seizure and against incriminating themselves.

What the Supreme Court finds to be constitutionally permissible need not be good law. What Congress enacts, Congress may repeal or amend. President Nixon has promised a major inquiry into the issue of privacy. Surely the Bank Secrecy Act comes under this. In such an inquiry, the burden should be not merely on the opponents to show that the law has done actual harm, but also on the proponents to show that it has done actual good.

[From the Washington Post, Apr. 2, 1974]

BANK DATA ACCESS BACKED

(By John P. MacKenzie)

The Supreme Court rejected yesterday a massive attack on the Bank Secrecy Act of 1970, under which the Treasury Department can force banks to keep records of every financial transaction for possible Treasury inspection.

By a 6-to-3 vote the court upheld key portions of the law, in part because the government has not sought to use all of the law's powers. It postponed ruling on privacy claims made by individual bank customers.

The majority, in an opinion by Justice William H. Rehnquist, admitted that the act is so broad that it "might well surprise or even shock those who lived in an earlier era." But he said earlier generations were not plagued by organized crime and Swiss banks, two of the problems Congress faced four years ago when it enacted the law.

In dissent, Justice William O. Douglas argued that Congress and the Treasury had "saddled upon the banks of this nation an estimated bill of over $6 million a year to spy on their customers."

"Unless we are to assume that every citizen is a crook, an assumption I cannot make," said Douglas, it is "sheer nonsense" to claim that every citizen's bank records are highly useful for tax and criminal investigations.

The law was strongly supported by the Nixon administration. It grew out of congressional hearings on the difficulty of getting at records of bank transactions by organized crime figures and of tracing money exported and hidden in Swiss bank accounts.

As implemented by Treasury regulations, the law requires banks to record all customer checks and microfilm those over $100, to report all domestic transactions over $10,000 and to report all foreign transactions over $5,000.

Temporarily allied to challenge the law were several California banks and the American Civil Liberties Union. The banks complained of the cost and red tape for themselves and their customers. The ACLU represented individual bank depositors and expressed fears that its own membership lists would be exposed to prying government agents.

Only Justices Douglas, William J. Brennan, Jr., and Thurgood Marshall went along with that entire attack. Joining with Rehnquist in the majority were Chief Justice Warren E. Burger and Justices Potter Stewart, Byron R. White, Harry A. Blackmun and Lewis F. Powell, Jr.

Powell and Blackmun said in a concurring opinion, however, that "a significant extension" of its regulations by the Treasury Department would pose substantial and difficult constitutional questions."

"At some point," they warned, they might agree with the dissenters that privacy rights had been violated.

"In their full reach," said Powell, "the reports apparently authorized by the open-ended language of the act touch upon intimate areas of an individual's personal affairs. Financial transactions can reveal much about a person's activities, associations and beliefs."

Rehnquist brushed aside the banks' complaints about cost and red tape, saying the banks were flourishing under federal regulation. He noted that while it cost the Bank of America $392,000 in its first year of expanded microfilming, the bank had $29 billion in deposits and a 1971 net income of $178 million.

He rejected also the banks' argument that their customers would suffer because of inability to intervene and block a Treasury summons for their records. "Whatever wrong such a result might work on a depositor it works no injury to his bank," Rehnquist said.

As for the same complaint made by the customers, Rehnquist said they were premature, causing Justice Marshall to accuse the court's majority of engaging in "a hollow charade whereby (constitutional) claims are to be labelled premature until such time as they can be deemed too late."

Rehnquist said depositors must wait until their records are seized before they can claim in court that their privacy rights are threatened. He did not rule that banks must notify their customers nor did he guarantee success for the customers when they do go to court.

A lower federal court had sustained the requirements that banks keep detailed records and report large movements of currency abroad, but had struck down the reporting of domestic transactions as amounting to an unconstitutional search and seizure of personal records. The high court reinstated the domestic reporting provisions.

[From the Wall Street Journal, Apr. 2, 1974]

BANK SECRECY ACT UPHELD BY TOP COURT, BACKING FEDERAL ACCESS TO CUSTOMER DATA

WASHINGTON.—The Supreme Court upheld the Bank Secrecy Act, which gives the government broad access to bank customer records.

The court ruled six to three that the act was a valid attempt to detect illegal use of secret Swiss bank accounts and the "heavy utilization of our domestic banking system by the minions of organized crime. . . ."

In upholding the 1970 law, the Justices rejected claims by banks, depositors and the American Civil Liberties Union that the act violates various constitutional guarantees, including the right to be free from unreasonable searches and seizures. They had challenged provisions of the act requiring banks to record, retain and report to the government the details of certain financial transactions by bank customers.

The court's majority included the six Justices who frequently side with government authorities in challenges to their right of search and seizure. They are Justices Potter Stewart and Byron White, plus President Nixon's four conservative appointees: Chief Justice Warren Burger and Justices Lewis F. Powell, Jr., Harry Blackmun and William Rehnquist, who wrote the majority opinion.

ACT'S SWEEPING AUTHORITY

Mr. Rehnquist said there's "no denying the impressive sweep" of the Bank Secrecy Act, which authorizes the Treasury Secretary to adopt regulations carrying out the law's reporting and record-keeping requirements for banks and other financial institutions. He said the authority conferred "might well surprise or even shock those who lived in an earlier era. . . ."

But, Mr. Rehnquist said, "the latter didn't live to see the time when bank accounts would join chocolate, cheese and watches as a symbol of the Swiss economy. Nor did they live to see the heavy utilization of our domestic banking system by the millions of organized crime as well as by millions of legitimate businessmen."

The court's three liberal Justices—William O. Douglas, Thurgood Marshall and William J. Brennan Jr.—dissented, and all wrote separate opinions. Mr. Douglas said the act and the Treasury Secretary's subsequent regulations amount to a "sledgehammer approach to a problem that only a delicate scalpel can manage." By giving government agents access to the checks a citizen writes, Mr. Douglas said, the agent can ascertain the citizen's doctors, lawyers, creditors, political allies, social connections, religious affiliation, educational interests, reading materials and numerous other things.

Similar fears were expressed by Justices Brennan and Marshall. Mr. Marshall said: "Congress may well have been correct in concluding that law enforcement would be facilitated by the dragnet requirements of the act. Those who wrote our Constitution, however, recognized more important values."

REQUIREMENTS OF LAW

Under the act and subsequent Treasury regulations, financial institutions must maintain records of customers' identities, make microfilm copies of checks drawn on the institutions and keep records of certain other items. They also are required to report foreign financial transactions exceeding $5,000 and certain domestic transactions exceeding $10,000. The regulations also provide that the Treasury Secretary, in specified cases, may share the information with other government agencies.

The requirements were challenged in June 1972 by some individual bank customers, Security National Bank of Walnut Creek, Calif., the California Bankers Association and the ACLU. In September 1972, a three-judge federal district court held the domestic reporting requirements invalid, but upheld the act's foreign reporting and record-keeping requirements.

In upholding the record-keeping requirements, the Supreme Court said they were a proper exercise of congressional power to deal with crime in interstate and foreign commerce. The Treasury's rules don't constitute an illegal search and seizure, the majority said, because they involve the mere maintenance of records without any disclosure requirement. Nor do they violate the Fifth Amendment privilege against self-incrimination, the majority added, because "incorporated banks, like other organizations, have no privilege against compulsory self-incrimination."

The court also said the requirement for reporting foreign transactions was within Congress' authority to regulate foreign commerce.

In upholding the domestic reporting provisions, the Supreme Court rejected the banks' search and seizure claim by quoting from a 1950 Supreme Court decision that "neither incorporated nor unincorporated associations can plead an unqualified right to conduct their affairs in secret." The majority simply avoided similar search and seizure claims by individual customers, holding that they failed to prove they would be affected by the reporting requirement.

In a concurring opinion, Justice Powell cautioned that the Treasury's domestic reporting rules would pose "substantial and difficult constitutional questions" if extended to cover smaller transactions. Justice Blackmun joined the opinion.

[From the Congressional Record, July 19, 1973]

S. 2200. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

FINANCIAL PRIVACY ACT OF 1973

Mr. MATHIAS. Mr. President, I am pleased to join my distinguished colleagues, Senators CRANSTON, BROCK, ERVIN, and TUNNEY, in introducing today a bill to insure that disclosures by financial institutions to Government officials and agencies of the details of private bank accounts are made in accordance with reasonable procedural safeguards. These safeguards have long been needed to protect the constitutional rights of individual Americans and to prevent unwarranted invasions of privacy by overzealous or misguided Government personnel. They are needed also to guarantee that citizens may have confidence that these important papers are handled in accordance with reasonable legal and constitutional procedures, and so that all Government agencies and officials who have need for this information can secure it with the full cooperation and support of the courts, financial institutions, and the individual bank customer.

As all of us know, an individual's bank account is not just another collection of paper. It is extremely revealing as to details of the customer's personal and political life. The information revealed by checks, other withdrawals, or deposits, mirror the activities of the account holder—the political causes he supports, the publications to which he subscribes, the debts he owes, the purchases he makes, the source of his income, and so forth. It reflects with considerable accuracy the individual's exercise of his rights under our Constitution, and particularly his first amendment rights. The information is no less revealing or critical if the account holder is a political, social, or religious organization than if he is a private citizen.

Because information in even poor bank accounts is so rich in details, it is quite understandably sought after by various Government agencies and officials. But, just as in other areas such as telephone conversations or private records maintained in homes, the same characteristics which make information contained in bank accounts useful to Government agencies also mean that basic individual rights and liberties can be trampled by abuse of the information or of the process by which the information is obtained. And, just as we have prescribed procedures by which the Government can obtain information in those cases without violating fundamental rights, so should we in the Congress now insure similar procedural safeguards for these critical records.

Abuse of individual rights is now encouraged by the fact that Government personnel seek to and do, in fact, examine copy and retain information from financial institutions without any notice to or consent by any court or the individual bank customer. The Government admitted to this practice in testimony last August before the Senate Subcommittee on Financial Institutions. The practice was defended as being in pursuit of noble objectives. And, although there are some disturbing instances in which the objectives appear less than noble, one need not question the Government's statement of objectives. For the fact remains that procedures which involve no judicial review, no notice, no showing of cause, threaten to violate, and do violate, rights of privacy which are protected by the Constitution and should be ensured by specific acts of Congress.

The financial institutions, which are not in a position to staunchly defend the interests or rights of their customers against unwarranted invasions by such agencies—particularly when the Congress and the courts have thus far failed to spell out what the rights of these customers are. These institutions have recognized that they are not in

a position to balance the needs of the Government with the rights of individuals, and I am pleased that the effort represented by this bill has the support of the bankers associations at the State as well as the Federal levels.

The bill which we will introduce establishes a process which will insure that Government agencies can obtain the information they need for proper purposes while ensuring that individual rights and liberties will be protected.

This legislation is a refinement of bills which were introduced last year—S. 3814 sponsored by Senators TUNNEY and BROCK and S. 3828 sponsored by Senator ERVIN and myself. These bills were the subjects of public hearings on August 11 and 14, 1972, before the Subcommittee on Financial Institutions of the Senate Committee on Banking, Housing and Urban Affairs. The legislation we propose today takes into account the testimony presented at those hearings.

The bill we are introducing—the right to Financial Privacy Act of 1973—is being introduced today as well in the other Chamber by a number of Congressmen including the Honorable WRIGHT PATMAN. The bill would prohibit Government agencies from obtaining records from financial institutions, and prohibit financial institutions from disclosing records to Government agencies and officials, except in accordance with four methods outlined by separate sections of the bill. These methods are customer consent, administrative summons, and subpenas, search warrants and judicial subpenas. The bill makes exceptions for information of such a general nature that it does not identify the individual customers, information required to be disclosed under the Internal Revenue Code, and information disclosed to Government agencies which supervise financial institutions providing that such information is solely for use in fulfilling such supervisory responsibilities.

The bill would limit the Government's power to require financial institutions to keep such records as are required by a supervisory agency or by the Internal Revenue Code. The bill provides civil and criminal penalties for violations of its sections.

S. 821—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Mr. MATHIAS. Mr. President, on March 5, 1974, the Senate Subcommittee To Investigate Juvenile Delinquency reported unanimously to the full judiciary Committee, S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974.

I was pleased to have the opportunity to join in cosponsoring this legislation which is unique in both the scope of professional opinion which was made available to the subcommittee and in the direction of the programs outlined in S. 821.

Throughout the years which I have served on the subcommittee, I have become increasingly aware of the magnitude of the juvenile delinquency problem which faces our Nation. To learn of juvenile vandalism—to learn of 6- and 7-year-olds convicted of murder and of children as young as 9 years old charged with rape—to learn of statistics which indicate that up to 85 percent of juvenile offenders are later arrested and convicted as adults is a deeply disturbing and painful experience. It is equally painful to realize that our society for all its expert panels and for all its honest concern has yet to devise even marginally effective methods of dealing with this problem.

Seven years ago, the President's Crime Commission called juvenile delinquency and youth crime "the most serious single aspect of the present crime problem." And in the ensuing 7 years, we find that we are faced with an even more horrifying picture—our youthful citizens are not only committing more crime but they are turning to more violent crime. It is clear that our efforts—no matter how well intentioned—have failed to give to our children—the sons and daughters of the factory worker, the businessman, and the college professor—that elusive element which will guide them into productive adulthood and spare them the pain and further alienation now being experienced by youthful offenders.

In attempting to devise a unique method of dealing with this problem, the subcommittee had the benefit of 80 witnesses expert in every field relating to children involved in crime. One fact made clear is that in our most mobile of societies we have somehow left behind that sense of community which was so elemental to our forefathers. While we all feel this loss to one extent or another, the child in trouble, the child involved in the efficiency-conscious machinery of our judicial and penal systems, experiences the full impact of this painful loss of belonging.

S. 821 is unique in that it focuses its preventive and rehabilitative programs at the State and local community level. The bill provides for:

The establishment of a new Juvenile Justice and Delinquency Prevention Administration within the Department of Health, Education, and Welfare to provide comprehensive national leadership for the problems of juvenile delinquency and to insure coordination of all delinquency activities of the Federal Government;

The creation of a National Institute for Juvenile Justice to serve as a center for national efforts in juvenile delinquency evaluation, data collection and dissemination, research, and training. The Institute, through an Advisory Committee on Standards for Juvenile Justice, will be charged with developing recommendations on Federal action to facilitate adoption of standards for the administration of juvenile justice;

Federal leadership and coordination of the resources necessary to develop and implement at the State and local community level effective programs for the prevention and treatment of juvenile delinquency.

The authorization of substantial grants to States, local governments, and public and private agencies to encourage the development of programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system and to provide community-based alternatives to traditional detention and correctional facilities used for the confinement of juveniles; and

The amendment of the Federal Juvenile Delinquency Act, virtually unchanged for the past 35 years, to provide basic procedural rights for juveniles who come under Federal jurisdiction and to bring Federal procedures up to the standards set by various model acts, many State codes and court decisions.

S. 821 is also unique in that by stressing the development of community systems and services, it will strengthen the bond between a youngster and his society. My own State of Maryland now faces severe problems because of self-imposed limitations on institutionalizations of juveniles. Our need for more community facilities is very real and very urgent.

The American poet, Walt Whitman, recognized the importance of community and environment when he wrote:

> There was a child went forth every day; and the first object he look'd upon; that object he became; And that object became part of him for the day; or a certain part of the day or for many years; or stretching cycle of years.

By affirmative Senate action on S. 821, I think we shall have the opportunity to demonstrate the worth of this observation and give an opportunity to save youth for a productive role in society.

Mr. President, I ask unanimous consent that S. 821, as amended, be printed in the RECORD.

There being no objection, the bill (S. 821) was ordered to be printed in the RECORD, as follows:

That this Act may be cited as the "Juvenile Justice and Delinquency Prevention Act of 1974."

TITLE I—FINDINGS AND DECLARATION OF PURPOSE

FINDINGS

SEC. 101. The Congress hereby finds—

(1) that juveniles account for almost half the arrests for serious crimes in the United States today;

(2) that understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) that present juvenile courts, foster and protective care programs and shelter facilities are inadequate to meet the needs of the countless neglected, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) that existing programs have not adequately responded to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs particularly non-opiate or polydrug abusers;

(5) that States and local communities, which experience the devastating failures of the juvenile justice system, do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency;

(6) that the adverse impact of juvenile delinquency results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources;

(7) that existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency; and

(8) that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to provide the necessary resources, leadership, and coordination to improve the quality of juvenile justice in the United States and to develop and implement effective prevention and treatment programs and

services for delinquent youth and for potentially delinquent youth, including those who are dependent, abandoned, or neglected;

(2) to increase the capacity of State and local governments, and public and private agencies, institutions, and organizations to conduct innovative, effective juvenile justice and delinquency prevention and treatment programs and to provide useful research, evaluation, and training services in the area of juvenile delinquency.

(3) to develop and implement effective programs and services to divert juveniles from the traditional juvenile justice system and to increase the capacity of State and local governments to provide critically needed alternatives to institutionalization;

(4) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of these standards;

(5) to guarantee certain basic rights to juveniles who come within Federal jurisdiction;

(6) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(7) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(8) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs;

(9) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs; and

(10) to establish a new Juvenile Justice and Delinquency Prevention Administration in the Department of Health, Education, and Welfare to provide direction, coordination, and review of all federally assisted juvenile delinquency programs.

DEFINITIONS

SEC. 103. For the purpose of this Act—

(1) the term "community-base" facility, program, or service means a small, open group or home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include, but are not limited to medical, educational, vocational, social, and psychological guidance, training, counseling, drug treatment and other rehabilitative services;

(2) the term "construction" includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects' fees but not the cost of acquisition of land for new buildings). For the purposes of this paragraph, the term "equipment" includes machinery utilities, and built-in equipment and any necessary enclosures or structures to house them;

(3) the term "Federal juvenile delinquency program" means any juvenile delinquency program which is conducted directly or indirectly, or is assisted by any Federal department or agency, including any programs funded under this Act;

(4) the term "juvenile delinquency program" means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs; the improvement of the juvenile justice system; and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent;

(5) the term "local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, and an Indian tribe and any combination of two or more of such units acting jointly;

(6) the term "public agency" means any department, agency, or instrumentality of any State, unit of local government, or combination of such States or units;

(7) the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

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

TITLE II—AMENDMENTS TO THE FEDERAL JUVENILE DELINQUENCY ACT

DEFINITIONS

SEC. 201. Section 5031 of title 18, United States Code, is amended to read as follows:

"§ 5031. Definitions.

"For the purposes of this chapter, a 'juvenile' is a person who has not attained his eighteenth birthday, or who has not attained his twenty-first birthday and is alleged to have committed an act of delinquency prior to his eighteenth birthday, and 'juvenile delinquency' is the violation of a law of the United States committed by a person prior to his eighteenth birthday which would have been a crime if committed by an adult."

DELINQUENCY PROCEEDINGS IN DISTRICT COURTS

SEC. 202. Section 5032 of title 18, United States Code, is amended to read as follows:

"§ 5032. Delinquency proceedings in district courts; transfer for criminal prosecution.

"A juvenile alleged to have committed an act of juvenile delinquency shall not be proceeded against in any court of the United States unless the Attorney General, after investigation, certifies to an appropriate district court of the United States that the juvenile court or other appropriate court of a State (1) does not have jurisdiction or refuses to assume jurisdiction over said juvenile with respect to such alleged act of juvenile delinquency, or (2) does not have available programs and services adequate for the rehabilitation of juveniles.

"If the Attorney General does not so certify, such juvenile shall be surrendered to the appropriate legal authorities of such State.

"If an alleged delinquent is not surrendered to the authorities of a State or the District of Columbia pursuant to this section, any proceedings against him shall be in an appropriate district court of the United States. For such purposes, the court may be convened at any time and place within the district, in chambers or otherwise. The Attorney General shall proceed by information, and no criminal prosecution shall be instituted for the alleged act of juvenile delinquency except as provided below.

"A juvenile who is alleged to have committed an act of juvenile delinquency and who is not surrendered to State authorities shall be proceeded against under this Chapter unless he has requested in writing upon advice of counsel to be proceeded against as an adult except that with respect to a juvenile sixteen years and older alleged to have committed an act after his sixteenth birthday which if committed by an adult would be a felony punishable by a maximum penalty of ten years imprisonment or more, if imprisonment, or death, criminal prosecution on the basis of the alleged act may be begun by motion to transfer of the Attorney General in the appropriate district court of the United States if such court finds, after hearing, that there are no reasonable prospects for rehabilitating such juvenile before his twenty-first birthday.

"Evidence of the following factors shall be considered, and findings with regard to each factor shall be made in the record, in assessing the prospects for rehabilitation; the age and social background of the juvenile; the nature of the alleged offense; the extent and nature of the juvenile's prior delinquency record; the juvenile's present intellectual development and psychological maturity; the nature of past treatment efforts and the juvenile's response to such efforts; the availability of programs designed to treat the juvenile's behavioral problems.

"Reasonable notice of the transfer hearing shall be given to the juvenile, his parents, guardian, or custodian and to his counsel. The juvenile shall be assisted by counsel during the transfer hearing, and at every other critical stage of the proceedings.

"Once a juvenile has entered a plea with respect to a crime or an alleged act of juvenile delinquency subsequent criminal prosecution or juvenile proceedings based upon such alleged act of delinquency shall be barred.

"Statements made by a juvenile prior to or during a transfer hearing under this section shall not be admissible at subsequent criminal prosecutions."

CUSTODY

SEC. 203. Section 5033 of title 18 U.S.C. is amended to read as follows:

"§ 5033. Custody prior to appearance before magistrate.

"Whenever a juvenile is taken into custody for an alleged act of juvenile delinquency, the arresting officer shall immediately advise such juvenile of his legal rights, in language comprehensive to a juvenile, and shall immediately notify the Attorney General and the juvenile's parents, guardians, or custodian of such custody. The arresting officer shall also notify the parents, guardian, or custodian of the rights of the juvenile and of the nature of the alleged offense.

"The juvenile shall be taken before a magistrate forthwith. In no event shall the juvenile be detained for more than twenty-four hours before being brought before a magistrate."

DUTIES OF MAGISTRATE

SEC. 204. Section 5034 of title 18 U.S.C. is amended to read as follows:

"§ 5034. Duties of magistrate.

"If counsel is not retained for the juvenile, or it does not appear that counsel will be retained, the magistrate shall appoint counsel for the juvenile. Counsel shall be assigned to represent a juvenile when the juvenile and his parents, guardian, or custodian are financially unable to obtain adequate representation. In cases where the juvenile and his parents, guardian, or custodian are financially able to obtain adequate representation but have not retained counsel, the magistrate may assign counsel and order the payment of reasonable attorney's fees or may direct the juvenile, his parents, guardian, or custodian to retain private counsel within a specified period of time.

"The magistrate may appoint a guardian ad litem if a parent or guardian of the juvenile is not present, or if the magistrate has reason to believe that the parents or guardian will not cooperate with the juvenile in preparing for trial, or that the interests of the parents or guardian and those of the juvenile are adverse.

"If the juvenile has not been discharged before his initial appearance before the magistrate, the magistrate shall release the juvenile to his parents, guardian, custodian, or other responsible party (including, but not limited to, the director of a shelter-care facility) upon their promise to bring

such juvenile before the appropriate court when requested by such court unless the magistrate determines, after hearing, at which the juvenile is represented by counsel, that the detention of such juvenile is required to secure his timely appearance before the appropriate court or to insure his safety or that of others."

DETENTION

SEC. 205. Section 5035 of this title is amended to read as follows:

"§ 5035. Detention prior to disposition.

"A juvenile alleged to be delinquent may be detained only in a juvenile facility or such other suitable place as the Attorney General may designate. Whenever possible, detention shall be in a foster home or community-based facility located in or near his home community. The Attorney General shall not cause any juvenile alleged to be delinquent to be detained or confined in any institution in which adult persons convicted of a crime or awaiting trial on criminal charges are confined. Alleged delinquents shall be kept separate from adjudicated delinquents. Every juvenile in custody shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care including necessary psychiatric, psychological, or other treatment."

SPEEDY TRIAL

SEC. 206. Section 5036 of this title is amended to read as follows:

"§ 5036. Speedy trial.

"If an alleged delinquent who has been detained pending trial is not brought to trial within thirty days from the date when such juvenile was arrested, the information shall be dismissed with prejudice, on motion of the alleged delinquent or at the direction of the court, unless the Attorney General shows that additional delay is unavoidable, caused by the juvenile or his counsel, or consented to by the juvenile and his counsel. Unavoidable delay may not include delays attributable solely to court calendar congestion.

RIGHTS

SEC. 207. Section 5037 of this title is amended to read as follows:

"§ 5037. Rights in general.

"A juvenile charged with an act of juvenile delinquency shall be accorded the constitutional rights guaranteed an adult in a criminal prosecution, with the exception of indictment by grand jury. Public trial shall be limited to members of the press, who may attend only on condition that they not disclose information that could reasonably be expected to reveal the identity of the alleged delinquent. Any violation of that condition may be punished as a contempt of court."

DISPOSITION

SEC. 208. A new section 5038 is added, to read as follows:

"§ 5038. Dispositional hearing.

"(a) If a juvenile is adjudicated delinquent, a separate dispositional hearing shall be held no later than twenty court days after trial unless the court has ordered further study in accordance with subsection (c). Copies of the presentence report shall be provided to the attorneys for both the juvenile and the Government at least three court days in advance of the hearing.

"(b) The court may suspend the adjudication of delinquency or the disposition of the delinquent on such conditions as it deems proper, place him on probation, or commit him to the custody of the Attorney General. Probation, commitment, or commitment in accordance with subsection (c) shall not extend beyond the juvenile's twenty-first birthday or the maximum term which could have been imposed on an adult convicted of the same offense, whichever is sooner.

"(c) If the court desires more detailed information concerning an alleged delinquent, it may commit him after notice and hearing at which the juvenile is represented by counsel, to the custody of the Attorney General for observation and study by an appropriate agency. Such observation and study shall be conducted on an outpatient basis, unless the court determines that inpatient observation and study are essential. No alleged delinquent may be committed to the custody of the Attorney General for study and observation without the consent of his attorney and his parent, custodian, or guardian. Unless the juvenile upon advice of counsel consents, no judge who has read or heard social data regarding an alleged delinquent as a result of such study, or in the course of a transfer hearing, shall preside over the hearing to adjudicate the delinquency of the juvenile. In the case of an adjudicated delinquent, such study shall not be conducted on an inpatient basis without prior notice and hearing. The agency shall make a complete study of the alleged or adjudicated delinquent to ascertain his personal traits, his capabilities, his background, any previous delinquency or criminal experience, any mental or physical defect, and any other relevant factors. The Attorney General shall submit to the court and the attorneys for the juvenile and the Government the results of the study within thirty days after the commitment of the juvenile, unless the court grants additional time."

JUVENILE RECORDS

SEC. 209. A new section 5039 is added, to read as follows:

"§ 5039. Use of juvenile records.

"(a) Upon the completion of any formal juvenile delinquency proceeding, the district court shall order the entire file and record of such proceeding sealed. After such sealing, the court shall not release these records except under the following circumstances:

"(1) inquiries received from another court of law;

"(2) inquiries from an agency preparing a presentence report for another court;

"(3) inquiries from law enforcement agencies where the request for information is related to the investigation of a crime or a position within that agency;

"(4) inquiries, in writing, from the director of a treatment agency or the director of a facility to which the juvenile has been committed by the court; and

"(5) inquiries from an agency considering the person for a position immediately and directly affecting the national security.

Information about the sealed report may not be released when the request for information is related to an application for employment, license, bonding, or any civil right or privilege. Responses to such inquiries shall not be different from responses made about persons who have never been involved in a delinquency proceeding.

"(b) The entire file and record of juvenile proceedings where an adjudication of delinquency was not entered shall be destroyed and obliterated by order of the court.

"(c) District courts exercising jurisdiction over any juvenile shall inform the juvenile and his parent or guardian, in writing, of rights relating to the sealing of his juvenile record. The information in these communications shall be stated in clear and nontechnical language.

"(d) During the course of any juvenile delinquency proceeding, all information and records relating to the proceeding, which are obtained or prepared in the discharge of official duty by an employee of the court or an employee of any other government agency, shall not be disclosed directly or indirectly to anyone other than the judge, counsel for the juvenile and the government, or others entitled under this section to receive sealed records.

"(e) Unless a child who is taken into custody is prosecuted as an adult—

"(1) neither the fingerprints nor a photograph shall be taken, without the written consent of the judge; and

"(2) neither the name nor picture of any child shall be made public by any medium of public information in connection with a juvenile delinquency proceeding."

COMMITMENT

SEC. 210. A new section 5040 is added, to read as follows:

"§ 5040. Commitment.

"A juvenile who has been committed to the Attorney General has a right to treatment and is entitled to custody, care, and discipline as nearly as possible equivalent to that which should have been provided for him by his parents. No. juvenile may be placed or retained in an adult jail or correctional institution.

"Every juvenile who has been committed shall be provided with adequate food, heat, light, sanitary facilities, bedding, clothing, recreation, education, and medical care, including necessary psychiatric, psychological, or other care.

"Whenever possible, the Attorney General shall commit a juvenile to a foster home or community-based facility located in or near his home community."

SUPPORT

SEC. 211. A new section 5041 is added, to read as follows:

"§ 5041. Support.

"The Attorney General may conduct with any public or private agency or individual and such community-based facilities as halfway houses and foster homes, for the observation and study and the custody and care of juveniles in his custody. For these purposes, the Attorney General may promulgate such regulations as are necessary and may use the appropriation for 'support of United States prisoners' or such other appropriations as he may designate."

PAROLE

SEC. 212. A new section 5042 is added, to read as follows:

"§ 5042. Parole.

"The Board of Parole shall release from custody, on such conditions as it deems necessary, each juvenile delinquent who has been committed, as soon as the Board is satisfied that he is likely to remain at liberty without violating the law."

REVOCATION

SEC. 213. A new section 5043 is added to read as follows:

"§ 5043. Revocation of parole or probation.

"Any juvenile parolee or probationer shall be accorded notice and a hearing with counsel before his parole or probation can be revoked."

SEC. 214. The table of sections of chapter 403 of this title is amended to read as follows:

"Sec.

"5031. Definitions.

"5032. Delinquency proceedings in district courts; transfer for criminal prosecution.

"5033. Custody prior to appearance before magistrate.

"5034. Duties of magistrate.

"5035. Detention prior to disposition.

"5036. Speedy trial.

"5037. Rights in general.

"5038. Dispositional hearing.

"5039. Use of juvenile records.

"5040. Commitment.

"5041. Support.

"5042. Parole.

"5043. Revocation of parole or probation."

TITLE III—JUVENILE JUSTICE AND DELINQUENCY PREVENTION ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 301(a) There is hereby created within the Department of Health, Education, and Welfare the Juvenile Justice and Delinquency Prevention Administration (referred to in this Act as the "Administration").

(b) There shall be at the head of the Administration a Director (referred to in this Act as the "Director") who shall be appointed by the President, by and with the advice and consent of the Senate.

(c) The Director shall be the chief executive of the Administration and shall exercise all necessary powers, subject only to the direction of the Secretary of the Department of Health, Education, and Welfare. The Director shall be Assistant Secretary.

(d) There shall be in the Administration a Deputy Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

(e) There shall be in the Administration an Assistant Director, who shall be appointed by the Director, whose function shall be to supervise and direct the National Institute for Juvenile Justice established under section 501 of this Act.

PERSONNEL, SPECIAL PERSONNEL, EXPERTS, AND CONSULTANTS

SEC. 302. (a) The Secretary is authorized to select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

(b) The Secretary is authorized to select, appoint, and employ not to exceed three officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribe for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

(c) Upon the request of the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Director to assist him in carrying out his function under this Act.

(d) The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS–18 of the General Schedule by section 5332 of title 5 of the United States Code.

VOLUNTARY SERVICE

SEC. 303. The Secretary is authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

CONCENTRATION OF FEDERAL EFFORTS

SEC. 304. (a) The Secretary shall establish overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Secretary shall consult with the Interdepartmental Council and the National Advisory Committee for Juvenile Justice and Delinquency Prevention.

(b) In carrying out the purposes of this Act, the Secretary is authorized and directed to—

(1) advise the President as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

(3) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

(4) coordinate Federal juvenile delinquency programs and activities among Federal departments and agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

(5) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to September 30, an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal departments and agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations, and coordination of such programs. This report shall include recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of these programs;

(6) develop annually with the assistance of the Advisory Committee and submit to the President and the Congress, after the first year the legislation is enacted, prior to March 1, a comprehensive plan for Federal juvenile delinquency programs, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

(c) The Secretary may require departments and agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

(d) The Secretary may delegate any of his functions under this title, except the making of regulations, to any officer or employee of the Administration.

(e) The Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(f) The Secretary is authorized to transfer funds appropriated under this Act to any agency of the Federal Government to develop or demonstrate new methods in juvenile delinquency prevention and rehabilitation and to supplement existing delinquency prevention and rehabilitation programs which the Director finds to be exceptionally effective or for which he finds there exists exceptional need.

(g) The Secretary is authorized to make grants to, or enter into conrtacts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

(h) All functions of the Secretary under this Act and all functions of the Secretary under the Juvenile Delinquency Prevention Act (42 U.S.C. 3801 et seq.), shall be administered through the Juvenile Justice and Delinquency Prevention Administration.

JOINT FUNDING

SEC. 305. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be designated by the Secretary to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Secretary may order any such agency to waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

AMENDMENTS TO TITLE 5, UNITED STATES CODE

SEC. 306. (a) Paragraph (17) of section 5315 of title 5, United States Code, is amended to read as follows:

"(17) Assistant Secretaries of Health, Education, and Welfare (6), one of whom shall be the Director of the Juvenile Justice and Delinquency Prevention Administration."

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(131) Deputy Director, Juvenile Justice and Delinquency Prevention Administration."

INTERDEPARTMENTAL COUNCIL

SEC. 307. (a) There is hereby established an Interdepartmental Council on Juvenile Delinquency (hereinafter referred to as the "Council") composed of the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Director of the Special Action Office for Drug Abuse Prevention, the Secretary of Housing and Urban Development, or their respective designees, and representatives of such other agencies as the President shall designate.

(b) The Secretary of the Department of Health, Education, and Welfare shall serve as Chairman of the Council.

(c) The function of the Council shall be to coordinate all Federal juvenile delinquency programs.

(d) The Council shall meet a minimum of six times per year and the activities of the Council shall be included in the annual report required by section 304(b)(5) of this title.

(e) The Chairman shall appoint an Executive Secretary of the Council and such personnel as are necessary to carry out the functions of the Council.

ADVISORY COMMITTEE

SEC. 308. (a) There is hereby established a National Advisory Committee for Juvenile Justice and Delinquency (hereinafter referred to as the "Advisory Committee") which shall consist of twenty-one members.

(b) The members of the Interdepartmental Council or their respective designees shall be exofficio members of the Committee.

(c) The regular members of the Advisory Committee shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, such as juvenile or family court judges; probation, correctional, or law enforcement personnel; and

representatives of private voluntary organizations and community-based programs. The President shall designate the Chairman. A majority of the members of the Advisory Committee, including the Chairman, shall not be full-time employees of Federal, State, or local governments. At least seven members shall not have attained twenty-six years of age on the date of their appointment, of whom at least three shall have been under the jurisdiction of the juvenile justice system.

(d) Members appointed by the President to the Committee shall serve for terms of four years and shall be eligible for reappointment except that for the first composition of the Advisory Committee, one-third of these members shall be appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; thereafter each term shall be four years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

DUTIES OF THE ADVISORY COMMITTEE

SEC. 309. (a) The Advisory Committee shall meet at the call of the Chairman, but not less than four times a year.

(b) The Advisory Committee shall make recommendations to the Secretary at least annually with respect to planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

(c) The Chairman may designate a subcommittee of the members of the Advisory Committee to advise the Secretary on particular functions or aspects of the work of the Administration.

(d) The Chairman shall designate a subcommittee of five members of the Committee to serve as members of an Advisory Committee for the National Institute of Juvenile Justice to perform the functions set forth in section 505.

(e) The Chairman shall designate a subcommittee of five members of the Committee to serve as an Advisory Committee to the Secretary on Standards for the Administration of Juvenile Justice to perform for functions set forth in section 507.

COMPENSATION AND EXPENSES

SEC. 310. (a) Members of the Advisory Committee who are employed by the Federal Government full time shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

(b) Members of the Advisory Committee not employed full time by the Federal Government shall receive compensation at a rate to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Advisory Committee. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Advisory Committee.

TITLE IV—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

PART A—FORMULA GRANTS

The Secretary is authorized to make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

ALLOCATION

SEC. 402. (a) In accordance with regulations promulgated under this title, funds shall be allocated annually among the States on the basis of relative population of people under age eighteen. No such allotment to any State shall be less than $200,000, except that for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, no allotment shall be less than $50,000.

(b) Except for funds appropriated for fiscal year 1974, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this title. Funds appropriated for fiscal year 1974 may be obligated in accordance with subsection (a) until June 30, 1976 after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the States, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands for the same period.

(c) In accordance with regulations promulgated under this title, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 per centum of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

STATE PLANS

SEC. 504. (a) In order to receive part A formula grants, a State shall submit a plan for carrying out its purposes. In accordance with regulations established under this title, such plan must—

(1) designate a single State agency as the sole agency responsible for the preparation and administration of the plan, or designate an agency as the sole agency for supervising the preparation and administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) (hereafter referred to in this Act as the "State agency") has or will have authority, by legislation if necessary, to implement such plan in conformity with this part:

(3) provide for supervision of the programs funded under this Act by the State agency by a board appointed by the Governor (or the Chief Executive) (A) which shall consist of not less than twenty-one and not more than thirty-three persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice, (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education or youth services departments; (C) which shall include representatives of private organizations; concerned with delinquency prevention or treatment; concerned with neglected or dependent children; concerned with the quality of juvenile justice, education or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act, (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal, State, or local government, and (E) at least one-third of whose members shall be under the age of twenty-six at the time of appointment and of whom at least three shall have been under the jurisdiction of the justice system;

(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

(5) provide that at least 50 per centum of the funds received by the State under section 401 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Secretary for any State if the services for delinquent or potentially delinquent youth are organized primarily on a statewide basis;

(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of the State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure (hereinafter in this Act referred to as the "local agency") which can most effectively carry out the purposes of this Act and shall provide for supervision of the programs funded under this Act by the local agency by a Board which meets the appropriate requirements of paragraph (3);

(7) provide for an equitable distribution of the assistance received under section 401 within the State;

(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system. This plan shall include itemized estimated costs for the development and implementation of such programs;

(9) provide for the active consultation with and participation of private agencies in the development and execution of the State plan; and provide for coordination and maximum utilization of existing juvenile delinquency programs and other related programs, such as education, health, and welfare within the State;

(10) provide that not less than 75 per centum of the funds available to such State under section 401, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in developing, maintaining, and expanding programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, to establish programs as set forth in section 403(11), and to provide community-based alternatives to juvenile detention and correctional facilities. The advanced techniques include but are not limited to—

(A) community-based programs and services for the prevention and treatment of juvenile delinquency through the development of foster-care and shelter-care homes, group homes, halfway houses, homemaker and home health services and any other designated community-based diagnostic, treatment, or rehabilitative service;

(B) community-based programs and services to work with parents and other family members to maintain and strengthen the family unit, so that the juvenile may be retained in his home;

(C) youth service bureaus and other community-based programs to divert youth from the juvenile court or to support, counsel, or provide work and recreational opportunities for delinquents and youth in danger of becoming delinquent;

(D) comprehensive programs of drug abuse education and prevention, and programs for the treatment and rehabilitation of drug ad-

dicted youth, and "drug dependent" youth (as defined in section 2(g) of the Public Health Service Act (42 U.S.C. 201(g));

(E) educational programs or supportive services designed to keep delinquents or youth in danger of becoming delinquent in elementary and secondary schools or in alternative learning situations;

(F) expanded use of probation and recruitment and training of probation officers, other professional and paraprofessional personnel and volunteers to work effectively with youth;

(11) provides for a statewide program through the use of probation subsidies, other subsidies, other financial incentives or disincentives to units of local government, or other effective means, that shall:

(A) reduce the number of commitments of juveniles to any form of juvenile facility as a percentage of the state juvenile population;

(B) increase the use of non-secure community-based facilities as a percentage of total commitments to juvenile facilities; and

(C) discourage the use of secure incarceration and detention.

(12) provides for the development of an adequate research, training, and evaluation capacity within the State;

(13) provide within two years after submission of the plan that juveniles who are charged with or who have committed offenses that would not be criminal if committed by an adult, shall not be placed in juvenile detention or correctional facilities, but must be placed in shelter facilities;

(14) provide that juveniles alleged to be or found to be delinquent shall not be detained or confined in any institution in which they have regular contact with adult persons incarcerated because they have been convicted of a crime or are awaiting trial on criminal charges;

(15) provide for an adequate system of monitoring jails, detention facilities, and correctional facilities to insure that the requirements of section 403 (13) and (14) are met, and for annual reporting of the results of such monitoring to the Secretary;

(16) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth including, but not limited to, females, minority youth, and mentally retarded or emotionally handicapped youth:

(17) provide for procedures which will be established for protecting under Federal, State, and local law the rights of recipients of services and which will assure appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

(18) provide that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by assistance under this Act. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for—

(A) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective-bargaining agreements or otherwise;

(B) the continuation of collective-bargaining rights;

(C) the protection of individual employees against a worsening of their positions with respect to their employment;

(D) assurances of employment to employees of any State or political subdivision thereof who will be affected by any program funded in whole or part under provisions of this Act;

(E) training or retraining programs.

The State plan shall provide for the terms and conditions of the protective arrangements established pursuant to this section;

(19) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

(20) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event supply such State, local, and other non-Federal funds;

(21) provide that the State agency will from time to time, but not less often than annually, review its plan and submit to the Secretary an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

(22) contain such other terms and conditions as the Secretary may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

(b) The Board appointed pursuant to Sec. 403(a)(3) shall approve the State plan and any modification thereof prior to submission to the Secretary.

(c) The Secretary shall approve any State plan and any modification thereof that meets the requirements of subsection (a) of this section.

(d) In the event that any State fails to submit a plan, or submits a plan or any modification thereof, which the Secretary, after reasonable notice and opportunity for hearing determines does not meet the requirements of subsection (a), the Secretary shall make that state's allotment under the provisions of 402(9) available to the public and private agencies in that State for Part B—Special Emphasis Prevention and Treatment Programs.

PART B—SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS

SEC. 411(a) The Secretary is authorized to make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs (as defined in section 103(4);

(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

(3) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

(4) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

(5) facilitate the adoption of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 507(b).

(b) Not less than twenty-five per centum of the funds appropriated for each fiscal year pursuant to this Title shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this part.

(c) Among applicants for grants under this port, priority shall be given to private organizations or institutions who have had experience in dealing with youth.

CONSIDERATIONS FOR APPROVAL OF APPLICATIONS

SEC. 412. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under this part, shall submit an application at such time, in such manner, and containing or accompanied by such information as the Secretary may prescribe.

(b) In accordance with guidelines established by the Secretary, each such application shall—

(1) provide that the program for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out one or more of the purposes set forth in section 404;

(3) provide for the proper and efficient administration of such program;

(4) provide for regular evaluation of the program;

(5) indicate that the applicant has requested the review of the application from the State and local agency designated in section 403, when appropriate;

(6) indicate the response of such agency to the request for review and comment on the application;

(7) provide that regular reports on the program shall be sent to the Secretary and to the State and local agency, when appropriate; and

(8) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

(c) In determining whether or not to approve applications for grants under this title, the Secretary shall consider—

(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of the Act;

(2) the extent to which the proposed program will incorporate new or innovative techniques;

(3) the extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Secretary under section 403 (b) and when the location and scope of the program make such consideration appropriate;

(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquent;

(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

(6) the extent to which the proposed program facilitates the implementation of the recommendations of the Advisory Committee on Standards for Juvenile Justice as set forth pursuant to section 507(b).

PART C—GENERAL PROVISIONS

WITHHOLDING

SEC. 421. Whenever the Secretary, after giving reasonable notice and opportunity for hearing, to a recipient of financial assistance under this title, finds—

(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title; or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision;

the Secretary shall notify such recipent of his findings and no further payments may be made to such recipient under this title (or in his discretion that the state agency shall not make further payments to specified programs affected by the failure) by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected.

USE OF FUNDS

SEC. 422. (a) Funds paid to any State public or private agency, institution, or individual (whether directly or through a State or local agency) may be used for:

(1) securing, developing, or operating the program designed to carry out the purposes of this Act;

(2) not more than 50 per centum of the cost of the construction of innovative community-based facilities for less than 20 persons (as defined in sections 103(1) and 103(2) of this Act) which, in the judgment of the Secretary, are necessary for carrying out the purposes of this Act.

(b) Except as provided in subsection (a) of this section, no funds paid to any public or private agency, institution, or individual under this Title (whether directly or through a State or local agency) may be used for construction as defined in Section 103(2) of this Act.

PAYMENTS

SEC. 423. (a) In accordance with criteria established by the Secretary, it is the policy of Congress that programs funded under this title shall continue to receive financial assistance providing that the yearly evaluation of such programs is satisfactory.

(b) At the discretion of the Secretary, when there is no other way to fund an essential juvenile delinquency program, the State may utilize 25 per centum of the funds available to it under this Act to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

(c) Whenever the Secretary determines that it will contribute to the purposes of the Act, he may require the recipient of any grant or contract to contribute money, facilities, or services up to 25 per centum of the cost of the project.

(d) Payments under this title, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Secretary may determine.

TITLE V—NATIONAL INSTITUTE FOR JUVENILE JUSTICE

NATIONAL INSTITUTE

SEC. 501. (a) There is hereby established within the Juvenile Justice and Delinquency Prevention Administration a National Institute for Juvenile Justice (referred to in this Act as the "Institute").

(b) The Institute shall be under the general supervision and direction of the Secretary, and shall be headed by the Assistant Director of the Administration appointed under section 301(c).

INFORMATION FUNCTION

SEC. 502. The Institute is authorized to—

(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information.

RESEARCH, DEMONSTRATION, AND EVALUATION FUNCTIONS

SEC. 503. The Institute is authorized to—

(1) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with regard to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

(2) encourage the development of demonstration projects in new, innovative techniques and methods to prevent and treat juvenile delinquency;

(3) provide for the evaluation of all programs assisted under this Act in order to determine the results and the effectiveness of such programs;

(4) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, upon the request of the Secretary; and

(5) disseminate the results of such evaluations and research and demonstration activities particularly to persons actively working in the field of juvenile delinquency.

TRAINING FUNCTIONS

SEC. 504. The Institute is authorized to—

(1) develop, conduct, and provide for training programs for the training of professional, paraprofessional, and volunteer personnel, and other persons who are or who are preparing to work with juvenile and juvenile offenders;

(2) develop, conduct, and provide for seminars, workshops, and training programs in the latest proven effective techniques and methods of preventing and treating juvenile delinquency for law enforcement officers, juvenile judges and other court personnel, probation officers, correctional personnel, and other Federal, State, and local government personnel who are engaged in work relating to juvenile delinquency.

INSTITUTE ADVISORY COMMITTEE

SEC. 505. The Institute Advisory Committee established in section 309(d) shall advise, consult with, and make recommendations to the Assistant Director concerning the overall policy and operations of the Institute.

ANNUAL REPORT

SEC. 506. The Assistant Director shall develop annually and submit to the Secretary after the first year the legislation is enacted, prior to June 30, a report on research, demonstration, training and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and to new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs. The Secretary shall include a summary of these results and recommendations in his report to the President and Congress required by section 304(b)(5).

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 507. (a) The Institute, under the supervision of the Advisory Committee shall submit to the President and the Congress a report which—based on recommended standards for the administration of juvenile justice at the Federal, State and local level—

(1) recommended Federal action, including but not limited to administrative, bugetary, and legislative action required to facilitate the adoption of these standards throughout the United States; and

(2) recommends State and local action to facilitate the adoption of these standards for juvenile justice at the State and local level.

(c) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies is authorized and directed to furnish to the Advisory Committee such information as the Committee deems necessary to carry out its functions under this Act.

SEC. 508. Records containing the identity of individual juveniles gathered for purposes pursuant to this Title may under no circumstances be disclosed or transferred to any individual or other agency, public or private.

TITLE VI—AUTHORIZATION OF APPROPRIATION

SEC. 601. To carry out the purposes of this Act there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1974; $200,000,00 for the fiscal year ending June 30, 1975; $300,000,000 for the fiscal year ending June 30, 1976; and $400,000,000 for the fiscal year ending June 30, 1977.

SEC. 602(a) Not more than 5 percent of the funds appropriated annually for the purposes of this act shall be used for the purposes authorized under Title III.

(b) Not more than 15 percent of the funds appropriated annually for the purposes of this act shall be used for purposes authorized under Title V.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

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

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 2, 1974, he presented to the President of the United States the following enrolled bills:

S. 969. An act relating to the constitutional rights of Indians;

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes;

S. 1836. An act to amend the act entitled "An act to incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers to permit certain stepmothers and adoptive mothers to be members of that organization.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN) No. 1059. Time for debate on this amendment is

equally divided and controlled between the Senator from Alabama (Mr. ALLEN) and the Senator from Nevada (Mr. CANNON), with a vote thereon to occur at 12 o'clock noon.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time taken from both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. 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. ALLEN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Alabama, No. 1059.

Mr. ALLEN. Mr. President, the time is under control until 12 o'clock. Is that correct?

The PRESIDING OFFICER. Each side has 15 minutes. The vote will take place at 12 o'clock.

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, the purpose of this amendment is to reduce the amount of permissible contributions to Presidential primary or Presidential general elections and House and Senate primaries and general elections.

Under present law, the existing law, there is no effective limit on the amount of contributions, and I feel that therein lies much of the problem, and that by limiting the amount of total overall contributions, the amount of total overall expenditures, and by limiting of the amount of individual contributions, the election process can best be reformed, and not by turning the bill over to the taxpayer and requiring that individual taxpayer, in half the cases, probably, to support the views and philosophies of candidates with whom they disagree, and taking out of the election process the voluntary participation by the electorate. That is the evil of public financing.

The bill, S. 3044, as it comes to us, provides that in Presidential nomination contests, the contributions can be matched, provided they are $250 or less in Presidential races and $100 or less in House and Senate races, and permitting candidates for the nomination for the Presidency to receive up to $7.5 million of public funds to aid them in their campaigns. But the bill, S. 3044, permits contributions far beyond the matchable contributions.

We have heard so much talk about, "Well, you have got to take care of the challenger in these various races. You have got to protect the challenger." It is admitted all the while that the incumbent, by reason of his being known, by reason of his name identification in the minds of the voters, by reason of the many favors he may have done for his constituents through the years, would be in better shape to attract larger contributions, and the challenger would be at a disadvantage in this country.

So this bill, while it matches contributions up to $250 for the President and $100 for the House and Senate, allows contributions to be made up to $3,000——

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. ALLEN. I yield myself an additional 3 minutes.

And in the case of a man and his wife, up to $6,000. That is something that is going to benefit the incumbent. That is not going to take care of the challenger.

The purpose of the amendment that is now pending, cutting contributions down to $250 for the President and $100 for the House and Senate, is to broaden the base of those participating in our elections. The proponents of reform say they want to eliminate the large contributions. I believe the $250 limit is going to eliminate the so-called large contributor. The $100 contribution for the House and Senate is going to eliminate the large contributor. That would put the incumbent and the challenger on exactly the same basis.

This whole process can be solved inside the framework of private financing, by the small contributor and still allow Federal matching. It seems Members of the Senate are going to insist on having their campaigns subsidized by the taxpayer. That vote is quite evident here in the Senate. Members of the Senate want to see the taxpayers finance their campaigns, because I had an amendment knocking Members of the House and the Senate out of the subsidy, and that amendment was voted down. So it is evident Senators are going to want public financing.

Therefore, let us limit the public financing to the amounts set out, $250 and $100, but let us chop off all amounts above that, because there seems to be something evil or sinister about contributions that are over $250 for the President and over $100 for the House and the Senate, because we are not allowing the Government to match these excessive contributions.

So if Senators want reform and not just public subsidy, let us cut these contributions down to where the campaigns can be financed by the average citizen of our country, which will encourage citizen participation in our election process. That is what the amendment does. It drastically cuts the amount that can be contributed.

We have heard a lot from Common Cause to the effect that, "Well, we want to cut these contributions down." Let us see if Senators who seem to be influenced by that plea—or demand, would be a better word—by Common Cause——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield myself 1 minute.

Let us see if they are going to be for cutting contributions down to a realistic amount, an amount that would lead the average citizen to feel he has a part in the election process. Let us see if they want election reform or if they want Federal subsidy. That is the issue presented by this amendment.

I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. President, the problem of campaign reform is certainly not a black-and-white issue. It is not susceptible of very easy solutions. It requires a long time and a lot of lessons need to be learned before something is actually accomplished.

As a matter of fact, since I have been in the Senate, I have been involved in campaign reform bills. Since 1959 the Senate has either passed in the Senate or has reported to the Senate out of the committee a bill in 1960, another one in 1961, another one in 1967, which I may say passed the Senate by a vote of 87 to 0 and went to the House side, and then amendments were passed in August of 1971.

On top of that, S. 372 that we passed by an overwhelming vote last year and sent to the House, has not been acted on as yet.

I might say frankly, Mr. President, to the Senator from Alabama that I believe that had S. 372 been acted on by the House last year, I believe we would not have had the pressures we now have to get into the area of public financing. But we have had pointed out, as a result of the Watergate hearings, the unfortunate aspects of big money in campaigns. That is what we have tried to resolve. We have not done it completely, but we have tried to do it an an equitable fashion in the pending bill. We have left it so that the candidate need not go to public financing if he does not desire to.

On the other hand, we have limited the effect of big contributions and have made it so that only small contributed amounts can be used in computing the triggering factor in determining whether a person would be entitled to match the difference if he went the public funds route. We believe it is fairer, in that fashion, to a nonincumbent than to an incumbent, because it would give the challenger an opportunity to procure small contributions to get up to his triggering amount on an equal basis with an incumbent who might not have any trouble going out and raising larger amounts. But we do not let the incumbent use those larger figures in determining eligibility.

Much can be said on both sides of this issue. There is no special magic in many of the figures we have used.

For example, in the limit on expenditures, the Senator from Alabama correctly pointed out yesterday that last year was the first time we limited expenditures and then only as to a portion of the expenditures. In this bill we have tried to limit the overall expenditures. I must say frankly that I am certainly not wedded to the formula we have used here. If Senators feel the figure is too high, we ought to have a vote on an amendment to reduce it. We used the figure somewhat arbitrarily, I might say, but by looking at past experience in trying to determine what expenditures had been made, and recognizing the fact that too much money has been spent in Federal campaigns, not only in the congressional races, but most certainly in presidential and Vice-Presidential races.

So we came up with a formula of 10 cents per voter in a primary election for an eligible voter of voting age, and then 15 cents in a general election. We used a somewhat arbitrary figure of $90,000 in the House races. Actually, I felt, and I am sure some other members of the committee felt, last year, that this is a matter that the House itself ought to determine. So we used the arbitrary figure, as has been pointed out in the argument. Some Members of the House used less than that figure; some used much more.

So we used an arbitrary figure, hoping that the House would make a determination as to what the correct figure should be. I am not wedded to any of these figures. I would be willing to go along with a reduction in both the amount that could be spent in the primary or the amount we have in the bill, and the amount that could be spent in the general election, if that is consistent with the wishes of a majority of this body.

But we have seen, as a result of the Watergate hearings, the inherent danger of large contributions and the undue influence that is exerted, or at least is attempted to be exerted, by the making of tremendous contributions. Those are the sorts of things we want to do away with.

I do not often quote from the New York Times. But I read an editorial in the April 2 issue from which I shall read a part into the RECORD, because it expresses my views on this matter:

> Although small contributions are important, experience has shown that they are easier to raise at the Presidential level than in many Senatorial and Congressional contests. Even in Presidential races, the candidate who appeals to a passionate minority, a George McGovern or a George Wallace, is likely to have an easier time of it than a middle-of-the-road candidate.

I may say that in the discussion on this matter last year, the Senator from South Dakota (Mr. MCGOVERN) on the floor of the Senate admitted that he had, or was forced, to take some large contributions—seed money—to get himself into a position to make a large solicitation for funds at a low level, because most of his money came from small contributors.

I continue to read from the editorial:

> Even those with devoted followings do not escape the need for large gifts or loans from wealthy individuals or interest groups to pay for campaign start-up costs, for direct mail solicitation of small givers, and to tide campaigns over rough spots. In short, if large contributions are not a wholly reliable substitute, there has to be an alternate source of funds, and that can only be public money.
>
> The choice is not between exclusive reliance on private money or on public money. In the best pluralistic tradition, the Senate reform bill provides a mixed system in which small and medium sized contributors perform a critical function but in which public money is available as the necessary alternative and supplement. It is a plan that deserves the support of all those such as Senators Weicker and Baker who genuinely favor cleaner elections.

Mr. President, I must say that I agree with the assessment of the importance of making some contributions available and providing access to public funds if we are going to do away with larger contributions. If we are going to rely on large contributions, as we have done in the past, then we could very well forget about public financing because some people could go out and raise large sums of money, and they will continue to do so if we do not have a limit.

We tried to get at that to some degree in S. 372 last year by fixing the amount of expenditures in the campaign. We used roughly the same formula in the bill in determining, this year, the amount that could be spent.

Yesterday the distinguished Senator from Alabama pointed out that what we ought to do is to try to shorten the campaign. The Senate has already acted on that point. I hope that the House will act on it. I am all for shortening the time of the campaign. That will do more to reduce the cost of a campaign, perhaps, than any other one thing, other than providing free time and free mailing privileges, which could certainly reduce the cost to the candidate as the Senator from Alabama suggested yesterday.

But even a former Member of the Senate, whom the distinguished Senator from Alabama quoted yesterday, pointed out that small contributions are the backbone of political financing.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. CANNON. Mr. President, I yield myself additional time.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I agree with that statement. That is why we reduced the matching amounts to $100 in congressional races and to $250 in a presidential race. However, we do permit contributions up to $300 limit per person so that the person can get seed money and have an opportunity to start his campaign which is so important, as pointed out in the editorial from which I have just quoted.

One of the suggestions he made yesterday was to increase the tax credit or tax deduction and to make possible a gift tax deduction for this purpose.

We did not go that far on the gift tax. We did under title V, that has now been taken out of the bill, and I support the doubling of the tax deduction and/or the tax credit, and doubling the checkoff.

I might say the distinguished Senator from Alabama has found some fault with the checkoff provision by saying that in order not to be—that you have to check if you do not want the money used. I agree with him on that. I think it ought to be an affirmative action on the part of the taxpayer, so that if he wants his money used for that purpose, to go into the political fund, the $1, which I support increasing to $2 per person, then I think he ought to have the affirmative obligation of making a check to so indicate, and have that money go into the fund.

But I hope the Senate will not support the Allen amendment on this particular issue, even though I find myself in agreement with him to a very high degree on the basic principles of what we are trying to do. We just differ on some of the procedural aspects, as to what would get the job done.

Mr. President, I reserve the remainder of my time.

Mr. ALLEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, the distinguished Senator from Nevada has not said one single thing that would detract from the wisdom of the amendment that is before the Senate. He speaks of cutting out large contributions, and that is just exactly what this amendment seeks to do. The question is, what is a large contribution?

Well, I feel like a $3,000 contribution is a large contribution. Under the bill, a $6,000 contribution would be permitted for a couple. I think that is a tremendous contribution, and I think that campaigns can be run on $100 limits for the House of Representatives and the Senate, and $250 for the Presidency.

If we do not limit all contributions in this fashion, we are going to have the incumbents able to get these $3,000 and $6,000 contributions, and the challengers will not be able to get them.

The purpose of this amendment is to cut the size of the incumbent's advantage down to where he would be on the same basis with the challenger.

Even at that, the challenger will have a disadvantage, because the incumbent can get more in contributions, even small contributions, than can the challenger. The challenger would be way behind the incumbent in contributions of up to $100, because the incumbent would get those contributions, and then the Government would compound that advantage by doubling the amount that the incumbent had received.

This amendment would go a long way toward eliminating the influence of large contributions. So if what we want is to limit the influence of large contributions—and the proponents say that is what it is—why not reduce drastically the amount of the contributions that can be made? That is all that can be matched, so what is the use of having this wide area between $250 and $3,000 or $6,000, as the case might be, and between $100 and $3,000 or $6,000, as the case might be? Why have that area where the incumbent would have this tremendous advantage of greater ability to obtain funds?

Mr. President, let us have true reform. Let us not just mouth a few pious platitudes, that this is the only way to reform the system and this is the way to get the influence of big money out of the campaigns, by turning the cost over to the taxpayers.

I have been interested to note that five out of the seven Watergate Committee members—and the Watergate Committee was charged with making recommendations for campaign reform—are opposed to public financing. They do not think it is such a good idea.

I believe the answer is in the realm of private financing, where a person has the right to contribute to the candidate of his choice. He will not have that right under the public financing feature in the general elections, where the money is paid by the taxpayers through the Federal Government.

As I pointed out yesterday, in the State of California the nominees of the two parties will receive from the Federal Government to conduct their general election campaigns for the Senate, from the public treasury, to each of those two nominees, $2,121,000, which is more than nine times what a Senator would earn as a U.S. Senator in the entire 6 years of his term.

If that is reform, I do not believe I know the meaning of the word, to just write a check, Mr. President, with no control over it whatsoever except post-election auditing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield myself 1 additional minute.

Mr. President, I do not believe that we ought to permit contributions of $6,000 to be made. I believe we should limit Presidential campaign contributions to $250, and House and Senate campaign contributions to $100. That is the amount that can be matched, and that is all that ought to be permitted to be contributed. That will get the influence of large contributions and large contributors out of the election process.

So I hope the amendment will be agreed to.

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes remaining.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The Senator has made one proposition that I think does not truly represent the situation, when he says that an incumbent would be able to get $1,000 or $3,000 contributions, and then go to the Federal Government and get the matching funds. That is simply not true. Whatever amount——

Mr. ALLEN. Mr. President, if the Senator will yield, the Senator from Alabama did not say that. I said he would have greater ability to get the contributions up to $3,000. What I am trying to do is cut the permissible contributions down to what can be matched. The Senator must have misunderstood. The record will show.

Mr. CANNON. Perhaps I did. But I want to make it absolutely clear that the challenger and the incumbent would be on an equal footing with respect to the matching funds, the contributions which could be matched at the Federal level. If the candidate of either party receives funds in excess of the matching formula funds, those moneys then go to offset moneys that the Federal Government would not necessarily have to match, would not be able to match, as a matter of fact, and the overall expenditure limit would still be in effect. That would include moneys over and above the matching formula triggering funds, as well as those within those limits, for the purpose of the overall limitation.

So I would simply suggest to my colleague that if he supports this concept, we ought to have amendments to get the bill in the proper form. For example, if he feels that the amounts of expenditures permissible are too high, we ought to have amendments along that line, rather than try to add the type of amendments such as this one, which would make it impossible for a person to carry on a campaign without being able to get contributions of more than that amount, even according to Senator McGOVERN's own testimony, and he has had more experience than any other one person in raising tremendously large campaign funds from small contributors.

Mr. MATHIAS. Mr. President, will the distinguished chairman yield on that point for a brief comment?

Mr. CANNON. I yield.

Mr. MATHIAS. While I cannot claim to rival the scope of Senator McGovern's experience, I have perhaps the most recent experience. I announced earlier this year that I would take no contributions of over $100.

I am speaking in support of the amendment. Since December 21, 1973, it is interesting to note that more than 2,700 individuals have contributed to my campaign. No contribution has exceeded $100. The total amount has been over $45,000. Thus, the total average contribution has been approximately $16.25.

I could only say to the distinguished chairman that I have to be enormously encouraged by this kind of response.

Mr. CANNON. Let me ask the Senator, that is a period of 4 months. Is the Senator saying, then, that if he collects twice that amount in the next 4 months, which would be $90,000, and he adds that to the present $45,000, would that be enough to run his campaign, $135,000?

Mr. MATHIAS. I wish I could say yes to that, but there is another rule here, that in the course of a campaign public interest tends to rise, and the number of contributions, and perhaps the average size of the contribution, would rise with the interest as we come closer to the campaign.

Mr. CANNON. I would simply say to the Senator, based on his experience up to the present time, that if it continues in that fashion up to the primary, he will not have raised much more than half the amount that would be needed in Maryland.

Mr. MATHIAS. I thank the Senator from Nevada for his comments.

The pending amendment would limit contributions from any individual to $100 for congressional races and $250 for Presidential races. This amendment would not affect the public financing provisions of this bill, and thus must be considered in the context of the entire bill.

In such a context, the question is raised: Can candidates raise a substantial amount of funds in congressional contests from contributions in amounts of $100 or less?

Last December I announced on the Senate floor that I would make my reelection campaign this year an experiment to test that proposition, as well as a number of other reforms which have been proposed, debated, passed by the Senate in some cases, but not yet enacted into law.

Although the fundraising efforts for my campaign have not yet really gotten underway in a substantial way, the very early returns clearly show that the people will respond, and that sufficient funds can be obtained from small contributions.

Since December 21, 1973, more than 2,700 individuals have contributed to my campaign organization. No contribution exceeded $100. The total amount donated in this time has been over $45,000. Thus, the average contribution has been approximately $16.25.

I am enormously encouraged by these totals. They result principally from voluntary, unsolicited contributions and from returns on a preliminary test mailing which was sent out just before Christmas. The percentage of responses from this test mailing are more than double what is normally considered an excellent response. I am told that the percentage of responses may well exceed any other similar political mailing in our history. So, while the total number of persons solicited was small, the results clearly indicate that if the people believe in the candidate, know that their contribution is important, and feel that their small donation is significant, then they will respond.

I recognize, of course, that all candidates may not have the advantage of incumbency that I enjoy, having served 5 years in the Senate and 8 years in the House. And so I would not favor to impose by law such severe restrictions on candidates unless there were a realistic state of equality among candidates or some sort of compensatory public funding available to make up part of the money which a candidate sacrifices by refusing large gifts. In the context of a bill such as this, however, where significant public funds would be available, I believe we should all seriously consider whether political expenditures cannot be curtailed and therefore whether all contributions cannot be limited to the amounts suggested in the amendment of the Senator from Alabama.

The PRESIDING OFFICER. (Mr. HASKELL). At this time, the hour of 12 o'clock having arrived, under the previous order, the Senate will proceed to vote on the amendment of the Senator from Alabama (Mr. ALLEN) No. 1059.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), and the Senator from Iowa (Mr. HUGHES), are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), and the Senator from Illinois (Mr. PERCY), are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN), is absent due to illness in the family.

On this vote, the Senator from Vermont (Mr. AIKEN) is paired with the Senator from Illinois (Mr. PERCY).

If present and voting, the Senator from Vermont would vote "yea" and the Senator from Illinois would vote "nay".

The result was announced—yeas 19, nays 73, as follows:

[No. 106 Leg.]

YEAS—19

Allen	Fong	Pell
Baker	Hart	Stennis
Bennett	Helms	Taft
Biden	Hollings	Thurmond
Byrd, Robert C.	Mathias	Weicker
Cotton	McClellan	
Ervin	Pastore	

NAYS—73

Abourezk	Fannin	Mondale
Bartlett	Goldwater	Montoya
Bayh	Griffin	Moss
Beall	Gurney	Muskie
Bellmon	Hansen	Nelson
Bentsen	Hartke	Nunn
Bible	Haskell	Packwood
Brooke	Hatfield	Pearson
Buckley	Hathaway	Proxmire
Burdick	Hruska	Randolph
Byrd, Harry F., Jr.	Humphrey	Ribicoff
	Inouye	Roth
Cannon	Jackson	Schweiker
Case	Javits	Scott, Hugh
Chiles	Johnston	Sparkman
Church	Kennedy	Stafford
Clark	Long	Stevens
Cook	Magnuson	Stevenson
Cranston	Mansfield	Symington
Curtis	McClure	Talmadge
Dole	McGee	Tower
Domenici	McGovern	Tunney
Dominick	McIntyre	Williams
Eagleton	Metcalf	Young
Eastland	Metzenbaum	

NOT VOTING—8

Aiken	Gravel	Percy
Brock	Huddleston	Scott, William L.
Fulbright	Hughes	

So Mr. ALLEN's amendment (No. 1059) was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized.

AMENDMENT NO. 1124

Mr. DOMINICK. Mr. President, I call up my amendment No. 1124.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

TITLE V—POLL CLOSING TIME

SEC. 501. SIMULTANEOUS POLL CLOSING TIME.—On every national election day commencing on the date of the national elections in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central time zone; 9 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours.

Mr. DOMINICK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous consent request?

Mr. DOMINICK. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. DOMINICK, Senator STEVENSON be recognized to call up his amendment No. 977, and that there be a time limitation thereon of 40 minutes, to be equally divided and controlled in accordance with the usual form.

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

Mr. DOMINICK. Mr. President, I yield myself 5 minutes, and I say to my colleagues I think this is an interesting amendment. I talked a little about it last night.

The purpose of the amendment is to try to make Senator BELLMON's amendment inoperative insofar as criminal penalties are concerned and constitutional insofar as the rest of it is concerned. What the amendment does in accomplishing this is to say that in every time zone, the polling will be staggered, so that all the polls throughout the entire United States, including the Bering Straits area and Hawaii, will close at the same time.

In order to do that, and in order to be able to give everybody a proper chance to vote, we have a provision in the amendment that all the polls in each time zone must be open for 12 hours.

So that on the eastern seaboard, with eastern standard time, for example, it specifies that the polls would open at 11 in the morning and close at 11 at night. By the time you get to the Bering Straits, they would open at 6 in the morning and would close at 6 at night.

The effect of this is to say to the media or television, or whatever it might be, that there is no way by which you can predict what the results are, because you will not know what the results are until the closing time in any precinct, unless everybody has voted in one precinct by noon.

I suppose they can predict on that basis, but that is pretty unreliable, and by so doing there would not be the obvious opportunity, that there would be in the Bellmon amendment, of someone dropping off a sheet somewhere for money or otherwise, and have someone go ahead and publish it and then have someone try to enforce the law with criminal penalties. I voted against the Bellmon amendment because I thought it was unenforceable and that it was not in keeping with the rights of the news media under the first amendment.

This amendment means that the information will not be available, not by law but by circumstance. All polling places will be closing at the same time and no one will know the results in any time zone until all polls are closed. They will be open from 11 until 11 in the eastern standard time zone, from 10 to 10 in the central standard zone, from 9 to 9 in the Rocky Mountain area, where I come from, from 8 until 8 in the Pacific zone, and so on through Hawaii and the Bering Straits.

In order to make this effective it seems to me we should concentrate, first, probably on the presidential election of 1976 rather than trying to do it in the senatorial and congressional elections of 1974. I say this because although predictions are made in senatorial and congressional races, those races do not influence as many voters as the presidential election. It would be effective in every national election starting with the national election in 1976.

Last night the distinguished Senator from Nevada, my good friend Howard Cannon, brought up the question of expense. Frankly, most of the States that lie in a specific time zone have 12 hours of polling time, anyway. This happens in Colorado, it happens in Kansas, and in New York. I have been a watcher in many of these places on various occasions in the past, and unless they have changed the laws recently there are still 12 hours available and so there will be no additional expense, and if there is additional expense, it will be minimum.

It is interesting that in our election process, for reasons I am not sure of, we probably have less people voting that in any other affluent and economically viable free state in the world. Our average is extraordinarily low. I wish to give some figures in that regard. In 1964, the year Senator GOLDWATER ran for the presidency, only 62 percent of eligible Americans cast a ballot for one of the presidential candidates, that is, either Lyndon Johnson or BARRY GOLDWATER.

In the off year congressional elections, the record is even worse. Less than 50 percent of Americans over 21 voted. On the other hand, in Europe, where uniform, nationwide voting hours are common practice—and granted in most of those countries there is a much smaller population—the percentages range from 87 percent in Denmark, which is quite small, to 72 percent in France, a country with which, as everyone knows, we are having some difficulty at the moment.

This might increase the number of people who feel they have the opportunity and privilege of going to vote when the horserace has not been decided by the electronic news media after the results are in from precincts.

The other day during the debate on the Bellmon amendment, the Senator from Minnesota (Mr. HUMPHREY) said that he felt the predictions made after polling places in the eastern time zone had closed affected his election for President in 1968. The Senator from Arizona (Mr. GOLDWATER) said that the news media had predicted after three precincts were in in the eastern time zone that he was going to be clobbered, and he said they were right.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. Mr. President I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Colorado may proceed.

Mr. DOMINICK. Nevertheless, what I am saying in general is that we have a

provision which, in my opinion, is a very bad provision. Second, we will not need that provision in force and we can get away from all enforcement problems if this amendment is agreed to. Third, it will not cost any more money. Fourth, we might get away from the problem of what is going to happen.

As the Senator from Rhode Island said in previous colloquy, some years ago the National Governors Conference recommended this provision in 1956. In addition, the chairman of the board of ABC, surprisingly enough, also has come out in favor of this type resolution of the problem.

Mr. President, when the National Governors' Conference favors this provision, when the chairman of the board of ABC favors the provision, and we have the criticism of people throughout the country who do not know whether it is worthwhile to vote after there have been electronic predictions, it seems to me that here we have an inexpensive way to take care of the problem.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOK. Mr. President, in the absence of the chairman of the committee, speaking of the ranking minority member of the committee, and speaking with respect to the amendment, it was interesting that last night on ABC News Mr. Reasoner and Mr. Howard K. Smith discussed this matter.

Mr. President, will the Senator from Nevada yield to me 3 minutes of his time?

Mr. CANNON. I yield.

Mr. COOK. I was amazed because they went back to the election of 1972 to sustain their point. At no time during the discussion between Mr. Reasoner and Mr. Smith did they give actual voting figures. They talked about the fact that "based on our predictions we have predicted so and so will carry such and such a State." This is the very point we got into in a discussion with the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Oklahoma (Mr. BELLMON) the other day. Mr. Howard K. Smith proceeded to say that their studies showed there was no problem. I thought to myself what a lacing we would get if we stated that based on a study we had made it was shown that it does have an effect. It reminds me that they would have their own fox in their own chicken-house.

I must say to the Senator from Colorado that one of the things they did say at the conclusion of their remarks blasting the Bellmon amendment and giving them right, not to make any flat figures, but to make predictions, and the president of ABC now is on the side of the Senator from Colorado, because he said if they wanted to resolve that problem they would stagger the voting hours so all returns would come in at the same time. So I do not know whether the Senator from Colorado wants a major network on his side in regard to his amendment, but I would have to say, in all fairness, he now has one.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I sort of have mixed emotions about this amendment, because I agree with the author of the amendment in principle as to what he is trying to do. I just have some reluctance about imposing these restrictions on the States. Again, I voted the same way he did on the Bellmon amendment. I think it was bad legislation, but the majority of our colleagues did not agree with us, even though some of them agreed with us last year, and some of them changed their positions, because it was defeated last year two to one, but it was passed a few days ago.

I cannot help but refer back to section 4 of article I of the Constitution, which says:

> The time, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof.

It is true that the section goes on to say:

> But the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

I hearken back to the initial statement there, where it was quite clear that it was the intent of the framers of the Constitution to leave it to the States to make their own determination as to the times of holding elections.

I personally do not find any fault with the Senator's amendment with respect to my own State, because it coincides somewhat with the times that we use, but I am thinking about the eastern part of the United States, where the polls could not open until 11 o'clock in the morning, in the State of Maryland, for example, unless Maryland decided it wanted to open them more than 12 hours a day, and, if it did that, it would have the problem of having to have another shift of workers or paying overtime to the people who were working.

So my basis of opposition to this amendment solely is that it ought to be left to the States to make the determination as to what hours will be set for holding the election, a time best suited to their needs.

I am fully cognizant of the fact that I did not support the Bellmon amendment, which precluded making any of that information public, and making it a criminal offense to do so. I can imagine someone being prosecuted because he called a friend on the phone in California and told him that the results of the election are such and such. There is a worse penalty for violation of that law than for transmitting illegal gambling information, I may say.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. DOMINICK. Mr. President, I yield myself 30 seconds.

I ask unanimous consent that the Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor of the amendment. along with the Senator from Tennessee (Mr. BAKER).

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

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

Mr. DOMINICK. I yield.

Mr GOLDWATER. This is a subject to which, naturally, I have given quite a bit of thought. I would go further than the Senator's amendment; however, I am happy and honored to be a cosponsor.

I had thought of making election day a national holiday, which we did at one time, and making the day 20 hours long, starting at 6 one morning and ending at 6 another morning, and having the whole country on central time for that 1 day. That would eliminate all of the problems that seemingly would have come up in the reporting of early results from the East.

I think anything we can do to point up the importance of election day, regardless of how we go about it, is really the important thing.

If we can get only a bare majority of our people to vote, it would be well. Other nations, which have holidays on their election days, get 75 or sometimes 95 percent of the vote. That is a sad reflection on the state of apathy and disinterest of the citizens of this country. Frankly, we in politics have caused a lot of that, but we have to do everything we can to revitalize the interest of the people in the subject of politics.

I am very hopeful the amendment will be agreed to. I am happy the Senator has offered it.

I might say, by way of information for my colleagues, the only study I have ever seen on the subject of the influence of Eastern election results on Western voting was a doctor's thesis that was done at the University of Colorado. I long ago lost the paper, but he came out with some rather surprising results that are contrary to what we in politics believe to be the truth. He found it had very little effect, but I frankly believe it has a lot of effect. I think when people begin to hear how New York, Pennsylvania, and Ohio are voting, the people out in the boondocks of Arizona, Colorado, and California are likely to be influenced by that. I do not like to believe that Eastern thinking has that effect on the West, but, with all due respect, I think that is what happens.

Mr. DOMINICK. Mr. President, I thank the Senator, and I yield myself 1 minute.

This amendment would not restrict the polling hours to 12 hours. Any State can make it 24 hours or whatever amount it wants to. All it provides is that each time zone has to close at the same time. That is all it says.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado (Mr. DOMINICK). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. MCCLELLAN), are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK) and the Senator the Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

The result was announced—yeas 49, nays 42, as follows:

[No. 107 Leg.]

YEAS—49

Allen	Fannin	Nelson
Baker	Fong	Nunn
Bayh	Goldwater	Packwood
Beall	Griffin	Pastore
Bennett	Hansen	Pearson
Biden	Hart	Randolph
Buckley	Haskell	Roth
Byrd, Robert C.	Hatfield	Schweiker
Case	Helms	Sparkman
Church	Hollings	Stafford
Cook	Hruska	Stennis
Cotton	Humphrey	Stevens
Cranston	Javits	Taft
Curtis	Mathias	Thurmond
Domenici	McGee	Tunney
Dominick	McGovern	
Eastland	McIntyre	

NAYS—42

Abourezk	Gurney	Moss
Bartlett	Hartke	Muskie
Bellmon	Hathaway	Pell
Bentsen	Inouye	Proxmire
Bible	Jackson	Ribicoff
Brooke	Johnston	Scott, Hugh
Burdick	Kennedy	Stevenson
Byrd,	Long	Symington
Harry F., Jr.	Magnuson	Talmadge
Cannon	Mansfield	Tower
Chiles	McClure	Weicker
Clark	Metcalf	Williams
Dole	Metzenbaum	Young
Eagleton	Mondale	
Ervin	Montoya	

NOT VOTING—9

Aiken	Huddleston	Scott,
Brock	Hughes	William L.
Fulbright	McClellan	
Gravel	Percy	

So Mr. DOMINICK's amendment was agreed to.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE PRESIDENT'S TAX RETURNS

Mr. LONG. Mr. President, I ask unanimous consent to file with the Senate a report of the Joint Committee on Internal Revenue Taxation, transmitting a report of the committee staff to the committee.

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

Mr. LONG. I might add, Mr. President, that the document I have just submitted is a staff analysis of the President's tax returns, as requested of the committee by the President. This document is not fully available to the press at this point. We believe that it will be available at 2 o'clock, and that there will be copies made available in the caucus room of the Senate Office Building at that time.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized to offer an amendment.

AMENDMENT NO. 977

Mr. STEVENSON. Mr. President, I call up my amendment No. 977, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistance legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. STEVENSON's amendment (No. 977) is as follows:

On page 79, strike lines 6 and 7 and insert the following in lieu thereof:

"SEC. 401. (a) Any candidate for nomination for or election to Federal office who,".

On page 79, following line 21, insert the following new subparagraph and renumber subsequent subparagraphs accordingly:

"(1) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year: *Provided*, That for purposes of this subparagraph 'tax' shall mean Federal, State, or local income tax and any any Federal, State, or local property tax;".

On page 81, line 9, strike the words "of political parties" and insert the following in lieu thereof: "for nomination for or election to Federal office".

On page 84, strike lines 3 through 5 and insert the following in lieu thereof:

"(i) The first report required under this section shall be due thirty days after the date of enactment and shall be filed with the Comptroller General of the United States, who shall, for purposes of this subsection, have the powers and duties conferred upon the Commission by this section.".

Mr. STEVENSON. I ask unanimous consent that Mr. Basil Condos of my staff be granted the privilege of the floor during the debate and the vote on this amendment.

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

Mr. STEVENSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, title IV of S. 3044 requires financial disclosure by all elected Federal officials, highly paid Federal employees, and candidates for Congress in general elections.

Its provisions are a vast improvement over existing law, and I commend the Committee on Rules and Administration for reporting them out. This amendment would strengthen disclosure requirements in three important respects.

First, and perhaps most important, my amendment requires disclosure of the amounts of all income and property taxes paid. Recent revelations about the tax affairs of the President and former Vice President have created the impression that there are two sets of tax laws, one for the politicians and one for everybody else. There is only one way to convince the public that Federal officials pay their fair share of taxes, and that is by disclosing the amount of taxes they pay.

Second, this amendment expands the disicosure requirements to include nonincumbent candidates for President and primary candidates for all Federal elective office. This will discourage persons with questionable financial backgrounds from seeking Federal office and will make available to the electorate information about the finances of all—not just some—candidates in Federal primary and general elections. It would place all candidates for Federal office on the same footing.

Finally, the amendment advances the effective date of the first disclosure from May 15, 1975, to 30 days after enactment. This maximizes the chances that financial disclosure will occur prior to the November elections.

This amendment strikes a fair balance between the public's right to know and the candidate's right to privacy. It does not require disclosure of each charity to which every candidate makes a contribution or his tax return. It requires disclosure of the amounts of taxes; and that is all. And that, Mr. President, ought to be enough to assure the public that the candidate has in fact paid his share of State and Federal taxes.

Financial disclosure is needed not so much, because of the wrongdoing it may expose or prevent, but because of the doubts it will lay to rest. The overwhelming majority of public officials abide by the laws they make and administer. The primary purpose of financial disclosure to convince the public that it can trust its elected representatives. There is no other way. Trust must be earned with facts; it cannot be elicited with empty words.

Watergate and other sordid events of recent months have shown us politics at its worst. In the actions of Judge Sirica, Elliot Richardson, Archibald Cox, and Leon Jaworski, it has also shown us public service at its best. Watergate could have occurred anywhere in the world, but only in a great and good nation could the subsequent effort to find the truth and do justice have been made.

The legacy of Watergate can be either lingering public cynicism and governmental drift, or more open and effective self-government. I believe we have the will and the vision to make the right choice, and that the enactment of financial disclosure legislation is an important part of that choice.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield myself 3 minutes.

I have sort of mixed emotions about this amendment. The full disclosure provision that is in the bill now before us was my amendment, and I thought it was quite comprehensive. It related, I thought, to every item that would reflect on a person's public life, that is, the source of each item of income, of reimbursement, of any gift that they might receive outside of the immediate family, the identity of assets held, the amount of liabilities, all transactions in securities, all transactions in commodities, and the purchase or sale of homes, and I thought we did everything in there that was necessary to have a full and complete disclosure. I did stop short of an amendment requiring them to file the income tax return which would carry with it the items the Senator from Illinois has suggested. I did that because many people have felt and still feel that everyone is entitled to some privacy and perhaps the only privacy left is that which is covered on the income tax return. But I may say, if this amendment is adopted, then the only thing that would be omitted would be contributions to charity. That would be the only thing I can think of that would not be covered under this disclosure feature.

I do not feel very strongly about it but I think it is a question of whether Congress wants to include all these people—not simply Congress—but to include civil servants with grade 16 and above, to include the military, and to include all members of the judiciary.

So I am prepared to yield back the remainder of my time and, at such time as it is appropriate, I intend to move to table the amendment, because it is just a straight up and down issue of whether we want to have complete disclosure to include the income tax return, or whether we do not, because, as I see it, the only thing remaining after we have this, is contributions to charity. I can well understand the reasons for the amendment. It arises out of the publicity given to the report filed here a few minutes ago.

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 (Mr. HATHAWAY). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON FRIDAY, APRIL 5, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday next, the distinguished Senator from Wisconsin (Mr. PROXMIRE) may be recognized for 15 minutes, after the two leaders or their designees have been recognized under the standing order.

Mr. GRIFFIN. Mr. President, reserving the right to object—may I inquire of the distinguished majority whip, is it the intention at that time that the vote on cloture will occur at 1 o'clock?

Mr. ROBERT C. BYRD. The vote on cloture will occur after the call to establish a quorum, which would begin at 1 o'clock.

Mr. GRIFFIN. I thank the Chair.

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

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. HUGH SCOTT. Mr. President, an excellent, comprehensive editorial in today's Christian Science Monitor wraps up the entire campaign finance reform picture. In view of our continuing debate on this subject, I offer this outstanding article for the review of my colleagues.

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

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

THE MONITOR'S VIEW: CAMPAIGN FINANCE REFORM

Campaign reform, made daily more imperative by the continuing flood of disclosures of massive abuses during the 1972 campaign, is not moving ahead through the Congress as fast as we would like. But it is moving. And prospects are reasonably good for a healthy reform bill.

The legislative situation is as follows:

The Senate has before it a comprehensive reform bill which was approved by the Rules Committee last month. It has been on the floor of the Senate for the last week. Sen. James Allen of Alabama, who was outvoted by the Rules Committee 7-to-1, is running a sophisticated filibuster effort on the floor. The first stage of his delay campaign was to offer a series of amendments. Fortunately these were defeated. He may next try to provoke a series of cloture votes and delay action long enough so the senators may feel compelled to move on to something else. The public should support a cloture move to cut short delay and let the Senate vote on the bill on its merits.

In the House, too, public backing is needed to keep campaign reform action going. The House is considering two bills. The first, the Anderson-Udall bill which was submitted to the House last year, embraces most of the Senate bill's desirable campaign reforms. The second bill is that emerging from the House Administration Committee under Chairman Wayne Hays. The Hays bill appears to be shaping up as a version asking the least change—but unfortunately it, not the Anderson-Udall bill, will be the basis for House action. Thus the task in the House will be to beef up the eventual Hays bill in the three areas it appears likely to be weak—in providing for a strong enforcement arm under an independent Federal Election Commission; in making sure campaign spending limits are set high enough so that rivals will have a fair chance to unseat incumbents; and in providing public financing for congressional as well as presidential races.

Representative Hays only a couple of weeks ago seemed determined to clamp procedural restrictions on his bill so the House would have to pass it or reject it, without democratic debate and amendment. Fortunately, after a stiff public rebuke catalyzed by a full-page Common Cause ad, Representative Hays has reportedly decided to let his committee's bill get the review by the House that it needs.

ITS SHAPE

What are the campaign finance reforms it is now hoped Watergate will bring?

Reform advocates put them into four main groups:

1. An independent enforcement body. Both the Senate bill and the Anderson-Udall bill would create a Federal Election Commission (FEC) with its own power to prosecute offenders. The Hays bill would omit the FEC and would leave enforcement in the Justice Department. The Nixon proposal would create an FEC, but would follow the Hays bill in leaving enforcement to the Justice Department. A conflict is posed by having the Justice Department—a Cabinet department within the executive branch shown vulnerable to political pressure by Watergate—police election finances. Reform advocates think the Senate/Anderson-Udall provision for independent enforcement will likely be passed.

2. Limits on contributions. The amount individuals or interest groups could contribute to campaigns varies in the Senate, Anderson-Udall, Hays, and Nixon versions. But limits appear likely to pass. The Senate bill would allow individuals to give a candidate $3,000 for a primary race, another $3,000 for the general election, for a total of $6,000 per candidate. An individual could give no more than $25,000 for all campaigns he wanted to cover. In the various versions, interest groups—such as the political action committees of business, labor, and public interest organizations—could be limited to a ceiling ranging from $2,500 to $6,000 in contributions to single candidates. But they could give in all House and Senate as well as presidential contests, without the $25,000 aggregate limit individuals would face.

3. Limits on campaign spending. The Nixon administration is against limits on campaign spending; the Hays and Senate versions include them, using different formulas. The Hays bill would set a $20 million limit on a presidential race, which appears a sufficient sum. But it would set a low House race ceiling, say of $50,000 or $60,000. Since in most recent tight House races spending passed the $100,000 mark, the low ceiling has been dubbed an "incumbents protection act" by reform advocates. Ironically, then, reformers want to keep campaign spending high enough so that incumbents don't swap the 2-to-1 advantage they now hold in attracting funds, for a law that would keep challengers from mounting a viable campaign.

4. Public subsidies for primary and general elections. Emerging proposals vary on this issue. The administration opposes any mandatory or voluntary public financing for any election. The Hays bill would make public financing of presidential general elections mandatory, the revenue to come from the existing tax checkoff system; but it would skip public financing for presidential primaries or for congressional races. The Senate bill would allow full public funding for presidential and congressional general elections, plus public funds in primaries on a matching basis. Some compromise is likely to develop.

The healthy inflow of tax-checkoff money on federal income tax returns now indicates there would be plenty in the Treasury to pay for a presidential primary and general elections in 1976. Raising the money for public funding of all federal elections thus should be no problem.

AND PURPOSE

The purpose of campaign finance reform is to reduce the influence of special interest money-givers to tolerable limits.

Reducing the amount an interest group can give any officeseeker to, say, $2,500 in a $100,000 campaign should keep politicians from being pocketed by big givers. When contributors can give as much as $20,000 or more as they do now, it is much harder for office holders to ignore their wishes.

The purpose of campaign finance reform is not to do away with influence groups, however. Lobbies presenting the views of business or labor or of the environmentalists should have the right to petition congressmen openly and to present their cases to the public. This is democratic procedure.

Nor is the purpose of campaign reform to weaken the present political system and eliminate entirely such rites as the fund-raising dinner. Abuses should be stopped. Interest groups should not be able to buy up seats at party dinners or earmark gifts for specific candidates. Functions like dinners help in rallying the faithful. But with such events as the $1,000-a-plate Republican and $500-a-plate Democratic fund-raising bashes in recent days; with most giving coming from interest groups, rallying the voters seems less the goal than raking in the dollars.

Nor need parties be weakened because candidates would be less dependent on them for financial support. The two major parties have been losing voter allegiance as it is, under the present system. They could perhaps regain influence among thoughtful voters if the parties stressed platform and policies more, and financial power less.

Again, the purpose of campaign finance reform is to hold the influence of money-giving to tolerable limits. When 90 percent of campaign contributions come from only 1 percent of the people, as is now the case, too much influence is clearly in too few hands.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on each of the two amendments to be offered by the Senator from Tennessee (Mr. BAKER), No. 1126 and No. 1075, there be a time limitation of 1 hour, to be equally divided and controlled in accordance with the usual form.

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

Mr. STEVENSON. Mr. President, the pending amendment No. 977, does not require the disclosure of income tax returns. As the Senator from Nevada mentioned, it does not require disclosure of charitable deductions. It does not require disclosure of any other deductions; it requires only the disclosure of the amount of income taxes and property taxes.

The reason for the disclosure requirement should be painfully obvious to every Member of the Senate. The reason is that the public wants to make sure of the integrity of its tax system, it wants to make sure of the integrity of the political institutions in this country, and of its public men and women. Doubts in the public mind about whether all Federal officials are really paying their fair share of taxes are understandable; and the American people have a right to be reassured on that score. I do not expect the amendment will prevent wrongdoing or expose wrongdoing. I am sure that most public officials pay their taxes. This is for the benefit of the vast majority of public officials who are law abiding and who do abide by the laws which they make and administer, as well as for the public's benefit. Its primary purpose is to put to rest those suspicions and those doubts about not only the integrity of men and women in public office, and candidates running for public office, but about the institutions of this country, including its tax system.

Mr. CANNON. On the matter of property taxes, that is already a matter of public record so the Senator has not asked for anything that is not a matter of public record. The only thing the Senator is asking for is the amount of the income tax they file. The question is, does the Senator want to require everyone to make public the amount of his income tax? If the Senator does, he might just as well have them file the entire income tax return and make it public.

So far as I am concerned, I would just as soon make everyone's public and I may offer an amendment to that effect.

Mr. STEVENSON. If it is true that property taxes are a matter of public record, then there should not be any objection to that portion of the amendment. The fact is that information on property taxes is very difficult to obtain. In some States it is more difficult than in other States. This amendment would collect that information in one central place and make it easily available to the public.

On the other point, I feel strongly that public officials do have a right to privacy, and that their privacy should be protected. Disclosure of the income tax return would invade that right. This amendment is intended to strike the balance between the right of privacy on the one hand and the American public's right to know.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I move to table the amendment of the Senator from Illinois (Mr. STEVENSON).

Mr. STEVENSON. Mr. President I ask for the yeas and nays.

There was not a sufficient second.

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

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

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada to table the amendment of the Senator from Illinois (Mr. STEVENSON).

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 Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Texas (Mr. BENTSEN) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 34, nays 55, as follows:

[No. 108 Leg.]

YEAS—34

Baker	Eastland	McClure
Bennett	Ervin	McGee
Bible	Fannin	Moss
Buckley	Fong	Nunn
Byrd, Harry F., Jr.	Goldwater	Pell
Cannon	Hansen	Sparkman
Church	Hart	Stennis
Cotton	Hartke	Taft
Curtis	Helms	Talmadge
Domenici	Hruska	Tunney
Dominick	Long	Young
	McClellan	

NAYS—55

Abourezk	Haskell	Nelson
Allen	Hatfield	Packwood
Bartlett	Hathaway	Pastore
Bayh	Hollings	Pearson
Beall	Humphrey	Proxmire
Bellmon	Inouye	Randolph
Biden	Jackson	Ribicoff
Brooke	Javits	Roth
Burdick	Johnston	Schweiker
Byrd, Robert C.	Kennedy	Scott, Hugh
Case	Magnuson	Stafford
Chiles	Mansfield	Stevens
Clark	McGovern	Stevenson
Cook	McIntyre	Symington
Cranston	Metcalf	Thurmond
Dole	Metzenbaum	Weicker
Eagleton	Mondale	Williams
Griffin	Montoya	
Gurney	Muskie	

NOT VOTING—11

Aiken	Gravel	Percy
Bentsen	Huddleston	Scott, William L.
Brock	Hughes	Tower
Fulbright	Mathias	

So the motion to table was rejected.

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

Mr. CANNON. Mr. President, does the distinguished Senator from Illinois ask for a rollcall vote?

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

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

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

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. ALLEN. 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. ALLEN. Mr. President, I call up

amendment No. 1052 and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Amendment No. 1052 is as follows:

SEC. 402. No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes; I am delighted to yield.

Mr. ROBERT C. BYRD. It is my understanding the Senator would want the yeas and nays on this amendment.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Having discussed this amendment with the distinguished Senator, I understand it is agreeable with him if we get consent to vote on the amendment at the hour of 2:30 p.m. today.

Mr. ALLEN. That would be entirely satisfactory to me.

Mr. ROBERT C. BYRD. Mr. President, I propose a unanimous-consent request, without any division of time.

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

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

Mr. ALLEN. I yield.

Mr. COOK. Does the Senator have any idea how long he wishes to take on this amendment?

Mr. ALLEN. Well, I will speak all the time that another Senator does not wish to speak. If the Senator would wish to use the entire time, it would be satisfactory to the Senator from Alabama. I will yield any time the Senator desires to speak.

Mr. COOK. All I wish to do is clear up the time situation. I have no objection to the amendment. From my standpoint, I would be perfectly willing to accept the amendment. I was wondering, with the vote not occurring until 2:30, whether the Senator would wish to dwell on this subject until 2:30, or recess until a convenient time.

Mr. ALLEN. No, I do not think we ought to recess. I think this is a very important matter, which should be fully debated. I do not think we should recess. I think it would be well if the Senator could encourage other Senators to come in and listen to this discussion.

Mr. COOK. I would suggest that this is his amendment. I appreciate the suggestion that I encourage other Senators to come in and hear the debate, but it is his amendment, and I am sure he would want other Senators to come here.

Mr. ALLEN. I appreciate the distinguished Senator from Kentucky's sitting through the discussion. I hope he will lend his approving voice to the amendment. I understood him to say he was for the amendment.

Mr. COOK. That is right.

Mr. ALLEN. I apppreciate that position of the distinguished Senator. I believe it would be about the first amendment that we have agreed upon since this bill has been under discussion for the last 7 or 8 days.

Mr. COOK. I am not sure whether it is or not.

Mr. ALLEN. The Senator is for public financing, and the Senator from Alabama is not; many of the amendments have had that context in them.

Mr. COOK. I am not here to get into a colloquy with the distinguished Senator about the rest of the bill; it was just about this amendment.

Mr. ALLEN. I thank the Senator.

Mr. President, I think it might be well, in accordance with the custom, inasmuch as the clerk did not read the amendment except by title, to read what is in the amendment. The amendment proposed by the junior Senator from Alabama would add a new section to the bill, section 402, which is to be inserted on page 85, between lines 5 and 6. The following new section would be added:

No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury.

That would include a Member of the House of Representatives or a Member of the Senate.

The figures that I noticed in a memorandum just the other day—I do not have the memorandum with me at the time, but this would be an important point—indicated that in 1972, Members of the Senate received more than $600,000 in honoraria or payments for speeches or appearances.

I have no hesitancy in offering this amendment, because the Senator from Alabama, since he first entered politics as a member of the Alabama State Legislature in 1939, has never accepted any fee, payment, honorarium, expense payment, or anything else of value whatsoever for any appearance or speech that the Senator from Alabama has ever made.

The Senator from Alabama takes the position that if he feels that it is a part of his duty and responsibility as a Member of the U.S. Senate to accept an invitation to speak or appear on a program, that appearance should be at the expense of the Senator from Alabama. That is the invariable custom the Senator from Alabama has followed for some 35 years, and he expects to continue that custom.

Much more important, though, than this amendment, which I anticipate will get a fairly good vote, was an amendment that the Senator from Alabama introduced some time ago. That amendment received very little notice in the media. It was an amendment that would have prevented——

Mr. COOK. Mr. President, will the Senator yield, so that we might ask for the yeas and nays?

Mr. ALLEN. Yes, I yield for that purpose.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. COOK. I thank the Senator.

Mr. ALLEN. Mr. President, the amendment the Senator from Alabama offered would have prevented any Member of the 93d Congress, the Congress which we are now in, from receiving any matching funds, or any Federal subsidy, in connection with a race for the Presidential nomination of either of the political parties for the Presidential term commencing January 20, 1972, which, of course, will be the position that will be at stake in 1976. A fairly good vote was cast for that amendment.

The Senator from Alabama took the position that if the public taxpayer subsidy was an idea whose time had come, then certainly a Member of Congress who favored the subsidy plan would have no objection, in order to get the principle enacted, to waiving his right or claim to any subsidy payment by the taxpayers which would aid him in furthering his political ambition in the race for the presidential nomination of one of the two major parties.

The Senator from Alabama felt that surely what was involved was not money, but principle. He felt certain that those who are pushing the bill—and it is quite obvious that some of the people who are pushing the bill are perpetual candidates for President—the Senator from Alabama thought that since there was so much interest in this principle, they would be willing to waive their claim to a subsidy in their race for the presidential nomination. But he was wrong about that. There was not a single Member of the Senate who was regarded as a possible or probable potential candidate for the Presidency who voted for the amendment of the Senator from Alabama—not a single one of them.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. DOLE. Let me say, as a part of the question, that I share the view that the Senator expressed with reference to the amendment. I was wondering whether the Senator could not modify his amendment to include a Member of Congress, so as to prevent a Senator or Member of the House from receiving any such income. It might be fair to prevent him from receiving any other income, whether it be stocks, bonds, interest, or whatever else it may be.

Mr. ALLEN. If the Senator wishes to offer an amendment, the amendment will be open to amendment at 2:30 o'clock. There would be nothing to prevent the Senator from offering an amendment of that sort.

Mr. DOLE. The question is whether there might be any income different from an honorarium.. There might be income from some other source.

Mr. ALLEN. I have no opinion, one way or the other, on the Senator's proposal. But anything which makes use of the office of the U.S. Senator or Member of the House of Representatives is, I think, subject to regulation by Congress.

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

Mr. ALLEN. I yield.

Mr. TOWER. As the Senator from Kansas has said, the outside income part would be waived.

Mr. ALLEN. I do not know about outside income.

Mr. TOWER. Would the Senator from Alabama agree to accept such an amendment?

Mr. ALLEN. I woud have to see the amendment.

Mr. TOWER. It occurs to me that what the Senator is proposing means that perhaps the people who, before they came to the Senate, had never accumulated any of the world's wealth, will not be allowed to make any additional income, while those who have inherited wealth may continue to enjoy such wealth. I hope that that never occurs.

Mr. ALLEN. The Senator from Alabama does not see it that way. The fact is that no Member of Congress should use his office for the purpose of obtaining outside honoraria or payments that he would not receive if he were not a Member of Congress.

Mr. TOWER. What about Members of Congress who were lecturers for honoraria before they came to Congress.

Mr. ALLEN. This does not control that. This just seeks to control the actions of Members of Congress while they are Members of Congress. Obviously that is all that can be controlled.

The Senator from Texas, on the expiration of his term of office, would be abel to obtain all the honoraria that anyone is willing to accord to him.

Mr. TOWER. What the Senator's amendment does is deny a professional lecturer or writer income from that profession after he becomes a Senator, but it does not deny a business man, lawyer. or farmer his income after he comes to the Senate.

Mr. ALLEN. Yes, but the Senator seems to overlook the fact that service in Congress is public service, whereas these other services the Senator is talking about are private services, and one private service added to another private service is all right. A private service added to a public service does not come out just right, in the opinion of the Senator from Alabama.

Mr. TOWER. Could a Senator use his public office to enhance his personal wealth by using the office to enhance his business interests?

Mr. ALLEN. This Senator does not have any business interests.

Mr. TOWER. This Senator does not, either.

Mr. ALLEN. What is the Senator arguing about, then?

Mr. TOWER. I am simply pointing out what I consider to be the shortcomings in the Senator's amendment.

Mr. ALLEN. The Senator has a right to argue against it, and also vote against it, and I imagine the Senator will be in the majority.

Mr. TOWER. Because he is prorich and antipoor, is that it?

Mr. ALLEN. That is what the Senator says. The Senator from Alabama does not see it that way.

Mr. President, going on with the amendment forbidding Members of the 93d Congress from running for President on the political subsidy provided by this bill: I say, Mr. President, that if we knock out of this bill—and the Senator from Alabama has tried to do that and failed—this tremendous subsidy for candidates for the Presidential nominations of the two parties, we would find practically all the wind out of the sails of this bill. This is a monumental subsidy, Mr. President, that is given to potential candidates for the Democratic nomination and the Republican nomination for the Presidency.

Mr. President, there are more candidates for the Presidency here in the halls of Congress than in any other area. From reading in the newspapers from time to time about the various candidates of potential candidates, it appears that there are some 8 or 10 in Congress that are regarded as candidates for the Presidency. None of them have made any outright announcements, but every single one of them will have the right to get from the Public Treasury up to $7.5 million, each.

Is that campaign reform? That adds a new element: in order to get that $7.5 million, it would be necessary for one of these candidates—and do not forget that this subsidy provision is going to increase greatly the number of candidates—to receive in contributions of up to $250 a like amount, because the matching is on a 50–50 basis.

I thought the argument had been made that one of the reasons that political campaigns are not conducted properly is that there is too much money being spent. Well, if that be stricken, why add this $7.5 million to the campaign funds of the various candidates for the Presidency? That would be doubling, I assume in most cases, what had been raised from private sources.

What ought to be done, Mr. President—and earlier today the Senator from Alabama offered an amendment that would have done so—is cut the amount of contributions to be made down to a maximum of $250 for Presidential races and $100 for congressional races. But it got mighty few votes, because there is no interest in cutting down on overall expenditures. There is no interest in that, as witness the Presidential nomination contests, adding $7.5 million to the $7.5 million that the candidate collects.

Another danger that I foresee, Mr. President, in this tremendous subsidy given to Presidential candidates, is in the fact that they do not have to go into these Presidential preference primaries. All they have to do is receive contributions and get them matched by the Federal Government, matched by the taxpayers. They could refrain from going into the primaries, conserve these tremendous sums of money, and go to the national conventions of the parties with a campaign fund for expenditures at the convention of up to $15 million.

Well, I do not say that anything improper would take place with a candidate or two candidates or three candidates being in Chicago or Miami at the national convention armed with $15 million in cash. That is possible under this bill. I do not know that a sinister use would be made of that $15 million. But I do not see that the Federal Government, the taxpayers of the country, should be called on to put up a subsidy of $7.5 million to everyone who wants to run for President and who can get out and raise a quarter of a million dollars. That is the requirement.

I guess you have to be 35 years old to get this money, but that would be the only requirement—that and getting $250,000 in contributions of not more than $250. So it could all be raised in one State; it could all be raised in one county, or it could all be raised in one city. It could all be raised by members of a pressure group, and once they raise the $250,000, they apply to the Federal Government to match them. It backs up and takes that in, and acts prospectively and retrospectively. It takes them all in, everything they have collected and everything they will collect in the future, on matching.

I believe that that amendment, if properly presented to the country, would receive the support of the American people, not making that money available to Members of Congress to set up the subsidy plan.

There has been talk about the danger of big contributions. Well, if Senators have any worry about big contributions, they ought to support the amendment I introduced earlier today—to limit the contribution to $250 to a Presidential fund for House and Senate. They are not worried so much about that. It seems to me that they are worried about wanting tremendous sums on which to run. That is what they want.

A time or two I have used the example of the State of California. I use that because that is a large State. Not only do they provide for matching half the contributions in the Senate race up to a $100 contribution, not only do they provide for matching all those contributions up to a total of $1,400,000 in a Senate race, which would be, potentially, possibly $700,000 from the Federal Government and $700,000 from the candidate—that is, in the primary—but once they get to the general election, what do they do?

The Federal Government writes them a check for each one of the candidates in the major parties. They may have financed half a dozen or a dozen candidates in the two primaries, but once that shapes down and it gets down to one on each party, they write each one of those candidates a check for $2,121,900. That is a pretty nice little "kitty" to be paid out of the taxpayers' pockets.

Mr. President, earlier this year, the Senate, when a proposal was submitted to it of raising the salaries of Members of Congress, House and Senate, by some $2,500—and the Senator from Alabama voted against that—the Senate by a top-heavy vote, as a result of strong public opinion against it, voted down that pay raise, even though it provided for only a $2,500-a-year raise for Members of the House and Senate.

Mr. President, what is the public going to think—if they are ever advised, and

of course the news media are not going to do a great deal about advising the public—when they find out that we are setting up a fund of up to $7.5 million for each Member of the House and Senate that wants to run for President—$7.5 million, up to that amount?

I do not believe that the public will look with much favor on that. I do not believe the public, and I do not believe the citizens of California, would favor it for every candidate in both primaries out there running for the Senate, and then $2,121,000 for each candidate for the Senate in the general election.

If they balk at raising a Senator's salary by some $2,500, do you not think, Mr. President, they would choke on a $7.5 million fund for a Presidential candidate who is a Member of Congress?

I believe that they would. Do you not think, Mr. President, that they would look with disfavor on setting up a general election campaign financed to the extent of $2,121,000 for each party candidate for the Senate?

Why should such tremendous sums be spent, Mr. President, in taking the election process and removing it far from the grassroots, far from the people back home, at a time when we need to take more interest in our campaigns, when we need more voluntary participation, and not this mandatory contribution by the taxpayers?

Mr. President, on the general election subsidy, it would require the taxpayer—as a member of the great body of taxpayers throughout the country to help finance, because every taxpayer and every citizen has an interest in the condition of the Treasury and where the tax money goes—to pay for the campaign expenses of a candidate with whose views and political philosophy he is in strong disagreement.

Is that democracy? Is that reform, to put that burden on the taxpayer and say; "Whether you like it or not, your funds will be used to support a candidate whether you agree with his views or not"?

A dyed-in-the-wool conservative would be paying the campaign expenses, or helping to pay them, or an ultraliberal taxpayer would be required to help pay the expenses of an ultraconservative candidate.

I would much prefer the approach of the Senator from North Carolina (Mr. ERVIN) and the Senator from Tennessee (Mr. BAKER). Later on today, as I understand it, they will propose an amendment to knock out title I and substitute a provision giving the taxpayer a credit of half his contribution up to $300. In other words, that would be in effect a rebate of $150. That would let the taxpayer make contributions to anyone he saw fit, someone whose views more nearly coincided with his own.

So that sort of approach appeals to the Senator from Alabama. Certainly he would support that amendment.

Mr. President, getting back to the case of the situation in California—and it is the same picture throughout the country, although to a lesser degree, but naturally the figures are higher in California—the subsidy that the taxpayer would be giving each of the candidates for the Senate in the general election, this subsidy of $2,121,000—and I get that figure from information prepared by the Committee on Rules and Administration—I did not furnish it myself—after consulting the information, I see that my memory was right on it—the figure is $2,121,000.

Let us compare that with the salary of a U.S. Senator. There should be some relationship, I would assume, between the compensation paid to the holder of an office and the amount of his campaign funds. Let us see how that compares with the Government paying each of the Senate candidates $2,121,000. There is no provision about prudent management of this money. It is turned over to him, apparently, just in one big check. He can go out and hire his brother-in-law to be his campaign manager, at a big salary. He can give some cousin in the advertising business an override on his expenditures. He can set up a high-salaried campaign staff. The Government is paying it all, every dime of it. There is no requirement whatsoever for prudent management of this money. It just hands it over to him.

According to my arithmetic, a U.S. Senator would make, during his 6-year term, in the neighborhood of a quarter of a million dollars, slightly more. But the Government, the taxpayer—the regimented taxpayers, I might say, not the voluntary taxpayers—would be paying for his campaign fund 9 times as much as the Senator would earn in his entire 6-year term. There is something wrong somewhere with a situation such as this. That is what this bill provides. I am not making this up; I am not advocating it; as a matter of fact, I am condemning it. The Government would pay 9 times as much money to the Senator as he would earn in 6 years of service in the U.S. Senate, with not a single bit of control over that money, except that it is required to go for campaign expenses.

MR. TOWER. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. TOWER. I agree with the Senator and his argument against public financing. I am strongly opposed to it. I do not quite see the relationship between the amendment the Senator has offered now to the issue of public financing, and I am wondering whether the Senator would accept an amendment in this form.

At the end of line 7, strike the period and insert in lieu thereof a comma and the following language:

nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the government of the United States.

Mr. ALLEN. I am sorry; I did not hear the first two words. Would the Senator read it again or let me have a copy?

Mr. TOWER. I will be glad to provide the Senator with a copy.

At the end of line 7, strike the period and insert a comma and the following:

nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the government of the United States.

Mr. ALLEN. I would suggest to the Senator that I would like to have a vote up and down on the amendment I have offered. If the Senator would like to offer it as an amendment, he would certainly have a right to do so; and I would be willing at this time, inasmuch as we have a vote scheduled at 2:30, to yield to him, if we can get unanimous consent, so much of that time as he would like to have in order to advocate his amendment.

Mr. TOWER. If I might ask the Senator a further question——

Mr. ALLEN. I would not want to dilute the amendment I have offered.

Mr. TOWER. This would not dilute it; it would strengthen it.

Mr. ALLEN. If the Senator feels that way about it, he is at liberty to offer an amendment.

Mr. TOWER. Does not the Senator feel that this is consistent with the amendment he is offering?

Mr. ALLEN. What the Senator from Alabama is seeking to reach is one thing. If the Senator from Texas wishes to reach something else, he has a right to offer an amendment.

Mr. TOWER. It is my understanding of the thrust of the Senator from Alabama's amendment that a Senator should not use his office to make additional money. What about a Senator who votes on an agricultural subsidy and yet receives that subsidy? What about a Senator who votes on the regulation of the securities industry and has income from securities?

Mr. ALLEN. Is the Senator talking about a Senator using his office to obtain additional funds? The Senator is talking about a Senator using his vote.

Mr. TOWER. Is he using his office to lecture, if perhaps it is a professional lecture? Why is it necessary that he use his office for a lecture fee?

Mr. ALLEN. I ask the Senator if he thinks that a Senator is as much in demand for lectures after leaving the U.S. Senate as he is while he is a Member of the Senate?

Mr. TOWER. It is very probable that membership in the Senate enhances one's ability to be invited to speak for honoraria. But it also occurs to me that a Senator does have the opportunity to vote on matters from which he may derive income. That is the thrust of this amendment.

Mr. ALLEN. I suggest to the Senator that he offer his own amendment. The Senator from Alabama has offered his. It would be up to the Senator from Texas to offer his amendment, if he thinks well of it.

Mr. TOWER. I am sorry; I did not hear the Senator.

Mr. ALLEN. Did the Senator offer an amendment?

Mr. TOWER. I will offer it as an amendment when the time of the Senator from Alabama has expired.

Mr. ALLEN. As I told the Senator, if he wishes time, the Senator from Alabama will yield him such time as he wishes, in order that he might offer his amendment and discuss it.

Mr. TOWER. All right.

Mr. President, I send to the desk an amendment and ask that it be stated.

Mr. ALLEN. How much time does the Senator wish?

Mr. TOWER. 3 minutes.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield 3 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Chair advises the Senator from Alabama that he has no time under his control.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 7, strike the period and in lieu thereof insert a comma and the following:

nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Inasmuch as this is an amendment to the amendment of the Senator from Alabama, on which the yeas and nays have been ordered, is it necessary to get the yeas and nays on this amendment, specifically?

The PRESIDING OFFICER. The answer is "Yes."

Mr. COOK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOK. If the Senator asks for the yeas and nays, he may have the yeas and nays.

The PRESIDING OFFICER. The Senator is correct.

Mr. COOK. But am I not correct, from a parliamentary point of view, that the yeas and nays on his amendment cannot take place until 2:30?

The PRESIDING OFFICER. The vote on the amendment of the Senator from Texas can come right now, if he has finished speaking.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment. I will ask for them as soon as we get enough Senators in the Chamber to provide a second.

Mr. President, while other Senators are coming to the floor, let me say that if we are going to bar one form of outside income from Members of Congress, I think we should bar other forms. I do not believe that anybody I know in the U.S. Senate uses his office in an untoward or unethical or illegal way to line his pockets. I believe there are a hundred honorable men here. But if the intent of this amendment is to remove any suspicion from Members of the Senate, it seems to me that we should go all the way.

It appears to me that the amendment I offer is entirely consistent with the letter and the spirit of the amendment offered by the Senator from Alabama.

Mr. COOK. Mr. President, will the Senator yield so we may ask for the yeas and nays?

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. PELL. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield for a question?

Mr. PELL. In the Senator's amendment when it is stated that no Senator may accept a subsidy, would that include the subsidy of public financing?

Mr. TOWER. It would not include public financing, and that is explicit, in that public financing is expressly authorized. The subsidy would be such matters as agricultural subsidies, and other funds the Government offers as an inducement to do or not to do something, or to pursue or not to pursue a certain enterprise.

Mr. PELL. I thank the Senator.

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

Mr. TOWER. I yield.

Mr. COOK. In other words let us take this example. This Senator voted in favor of the so-called Lockheed bill. I have no stock in any airline, any airline company, or anywhere else but if he had voted in favor of such a thing that would be in the nature of receiving a subsidy from the United States. Is that correct?

Mr. TOWER. In connection with that legislation I was the minority floor manager. I maintained that was not a subsidy but that it was a Government guarantee to them. But had someone here been a stockholder in Lockheed he could have been a beneficiary in that the Government guaranteed loans and keep the company from falling to its knees.

Mr. COOK. If we take that situation to be in the category of a loan guarantee, which I am willing to accept, let us take the receipt of a direct benefit. Take the so-called farm pond programs where they build ponds all over the United States.

Mr. TOWER. That would be included in the purview of my amendment. In addition, the interstate sales of securities in this country is restricted by the Securities and Exchange Commission, which would deal with any money from securities.

Mr. COOK. I know there are many types of direct agricultural subsidies. Would the Senator say this would be included in parities? As long as he sold his goods on the open market it would not be included.

Mr. TOWER. It would not be included, if he took the market regulated price. But if he took the subsidy, this would bar taking the subsidy, and he would have to go to the open market.

Mr. PELL. Mr. President, will the Senator yield further?

Mr. TOWER. I yield.

Mr. PELL. So that I can understand what the amendment provides, would this mean that if a Senator were a stockholder in a corporation and that corporation received a direct benefit of one sort of another from the Federal Government he would be prohibited by law from being in that position?

Mr. TOWER. He would not, provided that the corporation was not regulated or financed by the U.S. Government.

Mr. PELL. This really provides that all Senators must be sure that their investment portfolios do not include any industry affected by actions of the Federal Government, and that is every industry.

Mr. TOWER. I specify directly affected, through regulation or financing. I assume it would not apply to some business that is wholly without Government regulations, loans, financing, or funding.

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

Mr. TOWER. I yield.

Mr. HART Would a Senator who had on deposit funds in a savings account in a federally insured bank be subject to this provision?

Mr. TOWER. He would be subject to it because banks are regulated by the Federal Reserve System.

Mr. HART. Does the Senator think that that reaches a little broader than is needed or that is required in order that the people have confidence that we are not being influenced in our role here?

Mr. TOWER. I admit it is extreme, but where does one start? What should be considered legitimate and what should not be considered legitimate. To obviate doubt in anyone's mind we should go all the way.

Mr. PELL. Mr. President, will the Senator yield at that point?

Mr. TOWER. I yield.

Mr. PELL If the Senator goes all the way, as this amendment would do, it would mean that a Senator who has 100 shares in the XYZ corporation is not going to benefit; it would be impossible to count up the benefit to the infinitesimal part of a penny and he would be hard put, if he were lucky enough to have money, to know where to invest it.

Mr. TOWER. That is true. We make it difficult for people we confirm for the executive departments and agencies. We require them to put everything in a blind trust that might result in a conflict of interest. We virtually made Mr. David Packard take an oath of poverty before confirming him. I do not know why we cannot use that standard ourselves.

Mr. President, I am prepared to yield the floor.

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

Mr. TOWER. I yield.

Mr. COOK. Would the Senator accept an amendment to his amendment, in the last sentence, which would say that the purchase of Government bonds and securities would be exempt from the amendment? I am a great believer in the purchase of Government bonds. I have bought them almost all my adult life and during a great deal of my young life. I try the best I can to get all the employees in my office to purchase them, to the best of their ability.

I am wondering because I feel strongly about making an investment in one's country and Government.

Mr. TOWER. I think the Senator has made an excellent point. I would be prepared to modify my amendment to that extent. If the Senator will frame such an amendment for me I would accept it.

Mr. President, in the interim, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment?

Mr. TOWER. We have to draft it first.

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

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

Mr. TOWER. Mr. President, I ask unanimous consent that I may modify my amendment by adding a comma after the words "United States" and the words:

Provided that any income from U.S. Government securities shall be exempt from this provision.

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

Mr. TOWER's amendment, as modified, to Mr. ALLEN's amendment is as follows:

Nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States, provided that any income from U.S. Government securities shall be exempt from this provision.

Mr. ALLEN. Mr. President, I move to table the amendment offered by the Senator from Texas.

Mr. COOK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Tower amendment, as modified, to the Allen amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), and the Snator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) is necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

The result was announced—yeas 44, nays 49, as follows:

[No. 109 Leg.]

YEAS—44

Allen	Byrd, Robert C.	Ervin
Bartlett	Cannon	Fong
Bellmon	Case	Hartke
Bennett	Chiles	Haskell
Bentsen	Cranston	Helms
Bible	Eagleton	Hollings
Brooke	Eastland	Humphrey
Inouye	Montoya	Sparkman
Johnston	Moss	Stafford
Kennedy	Muskie	Stennis
Long	Nunn	Symington
Magnuson	Packwood	Taft
Mathias	Pell	Talmadge
McClellan	Proxmire	Young
McGee	Randolph	

NAYS—49

Abourezk	Dominick	Metzenbaum
Baker	Fannin	Mondale
Bayh	Goldwater	Nelson
Beall	Griffin	Pastore
Biden	Gurney	Pearson
Brock	Hansen	Ribicoff
Buckley	Hart	Roth
Burdick	Hatfield	Schweiker
Byrd, Harry F., Jr.	Hathaway	Scott, Hugh
	Hruska	Stevens
Church	Jackson	Stevenson
Clark	Javits	Thurmond
Cook	Mansfield	Tower
Cotton	McClure	Tunney
Curtis	McGovern	Weicker
Dole	McIntyre	Williams
Domenici	Metcalf	

NOT VOTING—7

Aiken	Huddleston	Scott, William L.
Fulbright	Hughes	
Gravel	Percy	

So Mr. ALLEN's motion to lay on the table Mr. TOWER's amendment, as modified, to Mr. ALLEN's amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Texas, as modified, to the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated and that we be permitted to have a voice vote.

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard. On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska Mr. GRAVEL), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) is necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

The result was announced—yeas 56, nays 37, as follows:

[No. 110 Leg.]

YEAS—56

Abourezk	Cotton	Jackson
Baker	Curtis	Johnston
Bayh	Dole	Kennedy
Beall	Domenici	Long
Bellmon	Dominick	Magnuson
Biden	Fannin	Mansfield
Brock	Goldwater	McGee
Buckley	Gurney	McGovern
Burdick	Hansen	McIntyre
Byrd, Robert C.	Hart	Metzenbaum
Cannon	Hartke	Mondale
Church	Hatfield	Moss
Clark	Hathaway	Muskie
Cook	Hruska	Nelson
Pastore	Schweiker	Tower
Pearson	Scott, Hugh	Tunney
Randolph	Stevens	Weicker
Ribicoff	Symington	Williams
Roth	Thurmond	

NAYS—37

Allen	Ervin	Montoya
Bartlett	Fong	Nunn
Bennett	Griffin	Packwood
Bentsen	Haskell	Pell
Bible	Helms	Proxmire
Brooke	Hollings	Sparkman
Byrd, Harry F., Jr.	Humphrey	Stafford
	Inouye	Stennis
Case	Javits	Stevenson
Chiles	Mathias	Taft
Cranston	McClellan	Talmadge
Eagleton	McClure	Young
Eastland	Metcalf	

NOT VOTING—7

Aiken	Huddleston	Scott, William L.
Fulbright	Hughes	
Gravel	Percy	

So Mr. TOWER's amendment, as modified, was agreed to.

Mr. ABOUREZK. Mr. President, I have an amendment to the Allen amendment at the desk which I ask be stated.

The PRESIDING OFFICER. The amendment to the Allen amendment will be stated.

The assistant legislative clerk read as follows:

On line 5, following "appearance", insert the words:

"or any other compensation including but not limited to income from a law practice, stock and bond dividends and rentals,

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota (Mr. ABOUREZK) to the Allen amendment.

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 Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. HRUSKA) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the famliy.

The result was announced—yeas 24, nays 67, as follows:

[No. 111 Leg.]

YEAS—24

Abourezk	Clark	Mansfield
Baker	Dole	McGovern
Bellmon	Domenici	McIntyre
Biden	Gurney	Moss
Brooke	Hart	Pearson
Buckley	Hartke	Stevens
Byrd, Robert C.	Hatfield	Tower
Church	Hathaway	Tunney

NAYS—67

Allen	Fong	Nelson
Bartlett	Goldwater	Nunn
Bayh	Griffin	Packwood
Beall	Hansen	Pastore
Bennett	Haskell	Pell
Bentsen	Helms	Proxmire
Bible	Hollings	Randolph
Brock	Humphrey	Ribicoff
Burdick	Inouye	Roth
Byrd, Harry F., Jr.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Kennedy	Sparkman
Chiles	Long	Stafford
Cook	Magnuson	Stennis
Cotton	Mathias	Stevenson
Cranston	McClellan	Symington
Curtis	McClure	Taft
Dominick	McGee	Talmadge
Eagleton	Metcalf	Thurmond
Eastland	Metzenbaum	Weicker
Ervin	Mondale	Williams
Fannin	Montoya	Young
	Muskie	

NOT VOTING—9

Aiken	Huddleston	Scott, William L.
Fulbright	Hughes	
Gravel	Johnston	
Hruska	Percy	

So Mr. ABOUREZK's amendment to the Allen amendment was rejected.

Mr. McCLURE. Mr. President, few people question the conclusion of public opinion polls which show that the citizens of this country do not have a very high regard for the Congress, as an institution. We are all aware that recent ratings show the Congress in less favor than the President, despite his massive difficulties. I suggest that cynical political maneuvers such as the one we just witnessed do little to dispel this attitude. The people of this country are not stupid, Mr. President. They demand a degree of candor in our public dealings which is not met by political posturing. I do not mean to question the motives of any individual Senator, but the effort to load the amendment of the Senator from Alabama (Mr. ALLEN) in order to kill it should be too evident to pass notice. I am opposed to the Allen amendment, but I am not going to hide that behind a motion to table. Let those who voted for the substitute of the Senator from Texas (Mr. TOWER) now reveal their motive by voting on adoption of the amendment as amended. Let no one be misled by looking only at one vote or the other by itself.

Mr. President, this kind of silly schoolboy activity does not lend great credit to our institutions which are under such constant attack today. I am sorry we sometimes act in a way which justifies the accusations of our critics.

Mr. BUCKLEY. Mr. President, I want the record to be clear as to why I am supporting the Allen amendment, and the amendments thereto, that would outlaw honoraria and other sources of outside income. I personally see no reason why a Senator should not supplement his income in such spare time as he may have. It is no secret that many of us need supplementary income to cover the full cost of servicing our constituents. Expense allowances for larger States simply are inadequate to cover all expenses. But if it takes adoption of this kind of pious and hypocritical nonsense to scuttle a bill that I am convinced will do profound harm to our political system, I will gladly cooperate.

Mr. CANNON. Mr. President, now that the folly of the last few minutes has had an opportunity to sink into my colleagues, may I pose a parliamentary inquiry?

The PRESIDING OFFICER (Mr. HELMS). The Senator will state it.

Mr. CANNON. Does the question now occur on the Allen amendment as modified, as amended by the Tower amendment as modified?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. And would the Chair advise whether a motion to table would now be in order?

The PRESIDING OFFICER. It would not be in order.

Mr. CANNON. Would the Chair state the reason why the motion to table would not be in order?

The PRESIDING OFFICER. A unanimous-consent agreement was entered into to vote on the Allen amendment. Therefore, a motion to table is not in order.

Mr. CANNON. Mr. President, was the unanimous-consent agreement to vote on the Allen amendment as modified, as amended and modified?

The PRESIDING OFFICER. The Chair is advised that the answer is "No," but the precedent prevails since there was unanimous consent on the Allen amendment, regardless of whether it was modified or not.

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order to move to table the Allen amendment as modified, as amended by the Tower amendment, as modified.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the ruling of the Chair?

The PRESIDING OFFICER. Objection is heard.

Mr. PASTORE. No; I mean with respect to the question of laying it on the table.

The PRESIDING OFFICER. The motion to table is not in order.

Mr. PASTORE. I make an appeal from the ruling of the Chair. I appeal the ruling of the Chair.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered. The question is, Shall the ruling of the Chair stand?

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. If a Senator wishes to uphold the ruling of the Chair, does he vote yea or nay?

The PRESIDING OFFICER. He would vote "Yea."

Mr. MANSFIELD. And if he does not, he votes "Nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, the Chair is correct in its ruling. The unanimous-consent request earlier was to vote on the Allen amendment at the hour of 2:30 p.m. By virtue of that order, a tabling motion would not be in order.

I hope, with all due deference to my distinguished friend from Rhode Island, that the Senate will not now vote to overrule the ruling of the Chair because if we do that we are going to overrule precedents going back a long way, and I think it is a very dangerous thing for the Senate to do.

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

Mr. ROBERT C. BYRD. I yield.

Mr. PASTORE. We had a unanimous-consent agreement to vote at 2:30 p.m. Why have we waited until 3:20 p.m. to do it?

Mr. ROBERT C. BYRD. Because amendments were offered to the amendment.

Mr. PASTORE. Why were they in order?

Mr. ROBERT C. BYRD. Because under the precedents, even though a vote is to occur at a given time on an amendment, any Senator is entitled to offer an amendment when the time has expired and have a vote on his amendment without debate.

Mr. PASTORE. Did the distinguished majority whip agree with the Senator from Alabama that this would be the situation on the unanimous-consent agreement?

Mr. ROBERT C. BYRD. The whip, and I am sure the Senator from Alabama, did not foresee all the amendments, but in accordance with precedent, may I say to my distinguished friend that I hope we do not overrule the ruling of the Chair.

Mr. PASTORE. Would it please my distinguished friend the whip if the Senator from Rhode Island were to withdraw his motion?

Mr. ROBERT C. BYRD. I wish the distinguished Senator would do that.

Mr. PASTORE. Mr. President, in order to accommodate the distinguished whip, I withdraw my motion.

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

Mr. ROBERT C. BYRD. I yield.

Mr. COOK. Mr. President, I would suggest that the Senator ask unanimous consent to do so because he asked for the yeas and nays.

The PRESIDING OFFICER. It will take unanimous consent.

Mr. PASTORE. Mr. President, I ask unanimous consent to do so.

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

Mr. ROBERT C. BYRD. Mr. President, I wonder if the distinguished Senator from Alabama would now allow the Senator from Nevada (Mr. CANNON) to propound anew his unanimous-consent request that a tabling motion be in order.

Mr. HUMPHREY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ROBERT C. BYRD. I yield.

Mr. HUMPHREY. I think that while we are discussing rules we should go a little further.

The unanimous consent agreement was to vote on the Allen amendment on an hour certain. There was not a unanimous consent to vote on the Allen amendment, as amended and as modified.

Mr. ROBERT C. BYRD. No, because no Senator could foresee that the amendment would be amended. When consent of the Senate is given to vote on a designated amendment at a designated time any Senator can offer an amendment, when time has expired, without debate and get a vote on it; but when the Senate gives consent to vote on an amendment at a given time, there has to be a vote on the amendment up and down, and there can be no motion to table.

Mr. HUMPHREY. Just to develop the record further because the rules are important, there was unanimous consent to vote on the Allen amendment.

Mr. ROBERT C. BYRD. That is correct.

Mr. HUMPHREY. Not the Allen amendment, as modified, as amended by the Tower amendment, as modified.

Mr. ROBERT C. BYRD. That is correct.

Mr. HUMPHREY. I wonder if we might not develop some record for future guidance: that when you get unanimous consent like this, it includes anything that might happen along the way. I do not think the unanimous-consent agreement prevails in light of all that has happened here.

Mr. ROBERT C. BYRD. If we did not follow the precedents, it would mean that in the future, if we got an agreement to vote on the Allen amendment at a certain hour, we would have a vote on it, and if the Senator from Minnesota came in at the last minute and wanted to offer an amendment to the Allen amendment he would be deprived of offering the amendment. Under the precedent he can now offer an amendment, even though without time to debate it.

There is one way to meet the situation the Senator is talking about. We could get unanimous consent to vote on the Allen amendment at 2:30, with the understanding that no amendments to that amendment be in order.

Mr. HUMPHREY. The only other point, I would say, is that it is also understood at the time you get the unanimous consent to vote on the Allen amendment, that it be as it may be modified because otherwise you are not establishing a clear line.

Mr. PASTORE. Is the Senator saying the unanimous consent agreement on the Allen amendment was made on the Allen amendment as introduced?

Mr. HUMPHREY. Exactly.

Mr. PASTORE. And now the Allen amendment has been changed; it is no longer the amendment agreed to. Something has been added. Does not that break the unanimous consent agreement?

Mr. ROBERT C. BYRD. No, because the Senator from Rhode Island, if he wished, would be entitled at 2:30 p.m., after all time has expired on the Allen amendment, to offer an amendment. He has that right.

I wonder if the Senator from Alabama would allow the Senator from Nevada (Mr. CANNON)—now that the Senator from Rhode Island has yielded on his point, which was very gracious of him—to make a motion to table?

Mr. ALLEN. Mr. President, reserving the right to object and I shall not object, in view of the request of the assistant majority leader, it occurs to me that two things evoke the most interest in the Senate in addition to public financing: Matters having to do with the pay of Senators and something having to do with the honorarium system. So I have no illusions that this amendment is going anywhere. Whether it is voted up or down, or up or down on a motion to table is not of too much concern, so I withdraw my objection.

Mr. McCLELLAN. Mr. President, I ask that the amendment that we are to vote on now be stated so that we may understand what it is.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 85 between lines 5 and 6 add the following new section 402, as follows:

SEC. 402. No Member of Congress shall accept or receive any honorarium, fee, payment, or expense allowance other than for actual out-of-pocket travel and lodging expenses from any source whatsoever for any speech, article, writing, discussion, message, or appearance other than in payment of his official salary and for official reimbursements or allowances from the United States Treasury, nor shall he accept any subsidy payment from the U.S. Treasury, nor shall he accept any income from any enterprise that is regulated or financed either wholly or in part by the Government of the United States, provided that any income from U.S. Government securities shall be exempt from this provision.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Does that include income from a bank where he may have been drawing interest?

SEVERAL SENATORS. Yes.

Mr. HUMPHREY. How ridiculous can one get?

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order for me to make a motion to table the Allen amendment, as modified, as amended by the Tower amendment as modified.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, I make such a motion. I move to table and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of Mr. CANNON to lay on the table the amendment of Mr. ALLEN, as amended by the modified Tower amendment. 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 Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. HRUSKA), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN), is absent due to illness in the family.

The result was announced—yeas 61, nays 31, as follows:

[No. 112 Leg.]

YEAS—61

Bayh	Ervin	Muskie
Beall	Fannin	Nunn
Bennett	Fong	Packwood
Bentsen	Griffin	Pastore
Bible	Hartke	Pell
Brock	Haskell	Proxmire
Brooke	Hatfield	Ribicoff
Byrd, Harry F., Jr.	Hathaway	Scott, Hugh
	Hollings	Sparkman
Cannon	Humphrey	Stafford
Case	Inouye	Stennis
Chiles	Javits	Stevenson
Church	Johnston	Symington
Cotton	Kennedy	Taft
Cranston	Long	Talmadge
Curtis	Mathias	Thurmond
Dole	McClellan	Tower
Domenici	McGee	Tunney
Dominick	McIntyre	Williams
Eagleton	Montoya	Young
Eastland	Moss	

NAYS—31

Abourezk	Goldwater	Metzenbaum
Allen	Gurney	Mondale
Baker	Hansen	Nelson
Bartlett	Hart	Pearson
Bellmon	Helms	Randolph
Biden	Jackson	Roth
Buckley	Magnuson	Schweiker
Burdick	Mansfield	Stevens
Byrd, Robert C.	McClure	Weicker
Clark	McGovern	
Cook	Metcalf	

NOT VOTING—8

Aiken	Hruska	Percy
Fulbright	Huddleston	Scott, William L.
Gravel	Hughes	

So Mr. CANNON'S motion to lay Mr. ALLEN'S amendment, as amended, on the table was agreed to.

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 the following Senate bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes; and

S. 2770. An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services.

The message also announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 4438. An act for the relief of Boulos Stephan;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters);

H.R. 5907. An act for the relief of Capt. Bruce B. Schwartz, U.S. Army;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 7682. An act to confer citizenship posthumously upon Lance Corporal Federico Silva;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior;

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship Independence;

H.R. 8823. An act for the relief of James A. Wentz;

H.R. 9393. An act for the relief of Mary Notarthomas;

H.R. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972;

H.R. 10972. An act to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects;

H.R. 11223. An act to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam;

H.R. 12208. An act to confer exclusive jurisdiction on the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic offshore commerce;

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel Miss Keku, owned by Clarence Jackson, of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries;

H.R. 12925. An act to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; and

H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 1321. An act for the relief of Dominga Pettit;

H.R. 5106. An act for the relief of Flora Datiles Tabayo; and

H.R. 7363. An act for the relief of Rito E. Judilla and Virna J. Pasicaran.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. HUGH SCOTT).

HOUSE BILLS REFERRED

The following House bills were severally read twice by their titles and referred as indicated:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 4438. An act for the relief of Boulos Stephan;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters);

H.R. 5907. An act for the relief of Capt. Bruce B. Schwartz, U.S. Army;

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 7682. An act to confer citizenship posthumously upon Lance Corporal Frederico Silva;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 8823. An act for the relief of James A. Wentz; and

H.R. 9393. An act for the relief of Mary Notarthomas; to the Committee on the Judiciary.

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence;*

H.R. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972;

H.R. 10972. An act to delay for 6 months the taking effect of certain measures to provide additional funds for certain wildlife restoration projects;

H.R. 11223. An act to authorize amendment of contracts relating to the exchange of certain vessels for conversion and operation in unsubsidized service between the west coast of the United States and the territory of Guam;

H.R. 12208. An act to confer exclusive jurisdiction on the Federal Maritime Commission over certain movements of merchandise by barge in foreign and domestic offshore commerce; and

H.R. 12925. An act to amend the act to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; to the Committee on Commerce.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stands in adjournment until 11 o'clock a.m. tomorrow.

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

DIVISION OF TIME FOR DEBATE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the motion to invoke cloture tomorrow be equally divided between the Senator from Nevada (Mr. CANNON) and the Senator from Alabama (Mr. ALLEN).

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

ORDER THAT AMENDMENTS AT DESK BEFORE CLOTURE VOTE QUALIFY UNDER RULE XXII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow all amendments at the desk at the time the vote on the motion to invoke cloture begins, be considered as having been read by the clerk so as to qualify under the rule.

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

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1102

Mr. BROCK. Mr. President, I call up my amendment No. 1102 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 75, between lines 4 and 5, insert the following:

"(3) This subsection does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee."

On page 77, between lines 5 and 6, insert the following:

"(e) This section does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee."

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BROCK. Mr. President, I offer this amendment to exempt in a limited fashion the two campaign committees of the Senate and the two campaign committees of the House simply because I do not believe that as the bill is written we could literally operate in support of our candidates under the existing language. I am not sure that that was the intent, but it is a matter of great concern to me, and I think it is important that we know the potential hazard for our two major parties in the proposed legislation as it may finally be enacted.

I think it is important that our parties not be weakened, but strengthened, by whatever action Congress takes. I would hope that in writing this particular bill we can provide that kind of sense of purpose with this amendment. The amendment simply exempts the House and Senate campaign committees from the specific limitations established for other political committees.

I have discussed the amendment at length with my colleagues, both those on the committee and those who are involved in campaign activities. I would hope the amendment will find favor on both sides of the aisle and that it can be

expeditiously handled. I do not see the need for extended debate, so I reserve the remainder of my time.

Mr. DOMINICK. My immediate impression, when my colleague was offering his amendment, was that I would like to be added as a cosponsor.

Mr. BROCK. I thank the Senator.

Mr. President, I ask unanimous consent that the name of the Senator from Colorado be added as a cosponsor of the amendment.

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

Mr. BROCK. I thank the Senator very much for his support.

Mr. CANNON. Mr. President, would the Senator explain just what he intends by this amendment now, in order that the RECORD may be clear?

Mr. BROCK. Mr. President, this amendment is to page 75, between lines 4 and 5. We are dealing here with a section—if I may find the place in the bill—which relates to limitation on expenditures generally. This limits expenditures made on behalf of any candidate for national office—in essence, limitations on contributions by political committees.

We have an exemption, under subsection (5)(b) on page 73, for the national committees, of 2 cents per voter, and an exemption for the State committees of 2 cents per voter, which is not counted toward the sum total. But under subsection (c)(1):

> No person may make any expenditure (other than an expenditure made on behalf of a candidate under the provisions of subsection (a)(4)) advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

Mr. President, that simply is impossible for us to comply with. The purpose of these committees is to afford people an opportunity to give to a large agenda of candidates, and we cannot adequately support a House or a Senate candidate who is a viable candidate in any other sense of the word with that limitation.

What I am trying to do is simply say that the dollar ceiling on committee giving shall not apply to the Senate and House committees, but I would say to the chairman that this has nothing to do with the limit on how much a candidate can spend. We leave that as it is, intact. We simply are trying to afford to the committees an opportunity to support the candidates of their party, and the effort here is to strengthen the parties involved.

Mr. CANNON. So the net effect, as I understand it, then, would be that the Democratic or Republican central campaign committee and the Democratic national congressional committee or Republican national congressional committee could collect funds through contributions or dinners or otherwise, but would not be held to the limit imposed on the amounts committees could contribute to a candidate?

Mr. BROCK. That is right.

Mr. CANNON. They would be exempt from the $6,000 limit that we have in here now, that a committee could contribute to a candidate, in the light of the fact that these contributions collected would have come from a total source or a great number of people; is that correct?

Mr. BROCK. Exactly.

Mr. CANNON. And it is not the intention to attempt to vary the limit on expenditures that a candidate can spend, nor would it change the amount of money that a person himself could contribute to a candidate or to a political committee?

Mr. BROCK. By no method whatsoever would it affect either of those.

Mr. CANNON. Mr. President, in the light of that, I personally would have no objection to the amendment.

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

Mr. BROCK. I am delighted to yield the floor.

Mr. ALLEN. I commend the distinguished Senator from Tennessee for the concern that he is manifesting with regard to the party system. The party system, it occurs to the Senator from Alabama, will be a near casualty if not a casualty of public financing, and I can certainly understand, since the Senator is an organization member, that he would be concerned about the party system.

But I am concerned that this amendment would constitute a great big loophole being created before this bill is even passed, and I would envision that as time goes on other loopholes will be created.

To create a loophole right at this time, before the bill even becomes law, seems to me to be unwise. I would like to inquire of the distinguished Senator if there would be any limitation whatsoever on a congressional campaign committee, either Republican or Democratic, on receipts that it may receive or expenditures it may make. Would there be any ceiling at all?

Mr. BROCK. I would assume, and I believe I am correct—if the chairman of the committee disagrees, he may correct the impression—that there are ceilings given under other sections of the bill. There would be no ceiling on what the committee could receive in sum total, nor would there be any ceiling on what the committee could spend, except as it applies to a specific candidate and the limitation in that particular candidate's campaign.

Mr. ALLEN. In other words, theoretically, then, the campaign committees could take in and disburse literally millions of dollars in furtherance of the candidacies of House and Senate Members; is that correct?

Mr. BROCK. I would say so.

Mr. ALLEN. And this money could be spent separate and apart from the campaigns of the Members of Congress, could it not?

Mr. BROCK. No, it is still subject, as the chairman has pointed out, to the limitations the bill imposes on an individual candidate.

Mr. ALLEN. Very well. But this money could be used to supplement the campaigns or the campaign funding of any candidate for the House of Representatives or the Senate that these committees selected?

Mr. BROCK. That is correct.

Mr. ALLEN. But that could add millions of dollars of receipts and expenditures, could it not?

Mr. BROCK. Well, I do not know that it would be added, because what the committees do is afford a vehicle for people to give broadly rather than specifically, if there are a few individuals left in the country who would prefer to give to the political party of their choice rather than trying to seek out candidates individually.

Mr. ALLEN. Well, would it be possible for an individual to give, say, $1 million to one of these campaign committees?

Mr. BROCK. No. Under other sections of the bill, that would be prohibited. We exempt here, by this amendment I have offered, the committees only from that section which limits the giving by a particular committee to a particular candidate. It does not change the limitation on political contributions on the part of any individual at all.

Mr. ALLEN. Well, it adds a section there under the provisions for limitations on contributions, and another one——

Mr. BROCK. They are both to the same section.

Mr. ALLEN. To the section on limitation on expenditures.

Mr. BROCK. No; the amendment here applies only to section 615, which is limitations on contributions. It does not affect the limitation on expenditures at all, as the Senator from Nevada has pointed out.

Mr. ALLEN. Well, what would be the maximum amount that could be received by a campaign committee, a senatorial or House campaign committee, from any contributor?

Mr. BROCK. There have been so many amendments that I may be a little confused on what is the present limit, but the same limit that would apply to giving to a campaign or to the national committees would apply here. I am not sure what the amendment says with respect to that—was it a $3,000 or a $6,000 limit?

Mr. ALLEN. If the committee is authorized to make contributions in any size, would the House or Senate Member be authorized to receive a contribution in any size?

Mr. BROCK. From these committees?

Mr. ALLEN. Yes.

Mr. BROCK. That is correct.

Mr. ALLEN. In other words, the senatorial or congressional campaign committees could get money from all over the country within certain limits and then funnel that without limitation as to the amounts into the campaigns of the various Members of the House and Senate; is that not correct? Provided it did no run over the amount he could spend, of course.

Mr. BROCK. That is right. If I may say to the Senator, the purpose of the section as originally written was to diminish and, hopefully, to eliminate the possibility of undue influence on the part of special interest groups who form committees for the purpose of legislative advocacy on a particular issue and raise a great deal of money and then give to those candidates who would support, say,

a consumer protection bill, or who would be opposed to such a bill. For example, there is no similar situation as it relates to House and Senate campaign committees. These are party committees. They receive their funds from a broad base. We have thousands of contributors—hundreds of thousands—and the average contribution would be well under $100, I am sure, from both committees. I am sure I can speak for the Republican Party.

The contribution would be on a broad base, to incumbent and challenger alike. In the sense that this bill must preserve and enhance the party structure, as I know the Senator feels, and we share this concern with the bill as it is written, the bill, unless amended further, impinges on our ability as parties to support our own candidates.

Mr. ALLEN. Would it be impossible, as the Senator from Alabama sees it, then, for a candidate who has a legal right to spend $1 million in his campaign but, having collected only one-half that amount from private sources and from the party, could apply to one of these committees for a contribution—that is, theoretically—of half a million dollars; is that not correct?

Mr. BROCK. I think it is.

Mr. ALLEN. I am just wondering if that would be in the public interest, to allow these contributions to come in to a big fund there and have it parceled out without any limitation as to the amount. That is what worries me.

Mr. BROCK. May I say, there is a limit on the individual candidates and on how much he can spend.

Mr. ALLEN. Yes; but if he is running short, then the committee can give him a present of tremendous sums of money under the Senator's amendment; is that not correct?

Mr. BROCK. That is correct, I would say to the Senator, and I think that he would agree with the statement that this is far preferable to receiving a check from the Federal Treasury.

Mr. ALLEN. Yes; if he would accept this instead of the other provisions, that would be fine; but I am afraid that we will have the other provisions and what the Senator is adding to. If I thought his amendment would help defeat the bill, I would be for the amendment, but as it is now, it looks like a tremendous loophole to provide a method of making large contributions not otherwise permitted under the bill to various candidates for the House and Senate.

I wonder whether the same objective could not be accomplished, possibly, by increasing the amount that the committee can receive and expend rather than leaving it with the sky as the limit.

Mr. BROCK. Perhaps I have an unwarranted faith in our two parties. I do have that faith. I have enormous respect for both parties, for their adherence to their basic principles, in their belief in their own party philosophy and their belief in this country. I frankly fear no conflict of interest with the parties disbursing the money. I have a great deal of fear of a conflict of interest when the Federal Government, or when we, enhance vested interests. That is what I am trying to avoid.

I would point out to the Senator, if my figures are correct—and I think they are fairly close—that as of a month ago, our average contribution was something on the order of $23.75 in the Republican Party. We have survived and sustained ourselves simply because we have a huge number of people willing to participate in support of the party. By no definition can that $23.75 be sufficient to influence the election or the vote of an individual running for the Senate. But individual Senators do not have the capacity to establish that broad base in sufficient magnitude to warrant the confidence that they can finance their own campaigns.

It is the purpose of the committees not to finance a candidate's campaign. That must come essentially from his own State. But it is supportive in the early stages—at the genesis—of a campaign so that it will attract a broad level of support. The candidate must have a chance to win. Unless this exemption is given to Senate and House campaign committees, I think that what we will do will be to run the terrible risk of making the bill worse than it is. I share this concern with the Senator from Alabama, in the public aspect of it. But we will make the bill worse unless we afford the party some opportunity to support the people who adhere to the party's philosophy.

Mr. ALLEN. Would it be possible for contributors who might not want to appear on the report of a given candidate to make a contribution to the congressional committee, and then the congressional committee makes a contribution to the candidate without the identity of the contributor being made known?

Mr. BROCK. No contributor can, either directly or indirectly, overtly or covertly, or even implicitly, imply that he wants his funds to go to a particular candidate, without its being reported as a donation by the committee for the candidate. Even under current law in our own committee—I am not sure about my colleague's committee, but I would assume it is similar—we will take a campaign contribution for a particular Senator or challenger and report it forthwith. But we tell the contributor and the challenger that we do not operate a laundry in the Republican Party and have no interest in it whatsoever. We adhere religiously not only to the letter but the spirit of the law as it is today. We do report those, and we should.

Mr. ALLEN. Under the Senator's amendment, would a contribution to the committee be limited to $3,000?

Mr. ROTH. Yes, as I understand the bill, that is correct.

Mr. COOK. Yes, that is correct.

Mr. ALLEN. What would be the value of getting the same contributor to contribute to the candidate direct? What magic is there in going through congressional committees?

Mr. BROCK. I would say to the distinguished Senator from Alabama, for whom I have such enormous respect, that nothing at all is wrong with that. In many cases, this Senator would so advise a particular contributor. We do not have many $3,000 contributors. That is not the problem. What we are trying to do is to broaden the base of the party. As I said, the average contribution is $23.75 and we are trying to enlist large numbers of people. That, frankly, is not to give to the candidate broadly. Certainly we can support our candidate broadly. That is the kind of contribution I want to attract, and I think we can attract. If we do, then we have to have some method of exemption so that we can get the contributions in bulk. We could not physically handle the volume of each one individually, as the Senator was suggesting the $3,000 contribution, which we could do quite readily.

Mr. ALLEN. I thank the distinguished Senator for giving me this information. I will not stand in the way of the amendment. Rather, I would say, I should like to be recorded as voting "nay" on the amendment.

Mr. BROCK. I have nothing further, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

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

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

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

The enrolled bills were subsequently signed by the President pro tempore.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. BAKER. Mr. President, I call up my amendment No. 1126 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 78, line 16, strike the closing quotation marks and the second period.

On page 78, between lines 16 and 17, insert the following:

"§ 618. Prohibition of contributions other than by individuals

"Notwithstanding the provisions of sections 615 and 616, no person other than an individual may make a contribution. Violation of the provisions of this section is punishable by a fine of not more than $50,000, imprisonment for not more than five years, or both.".

On page 78, at the end of the matter appearing below line 22, insert the following:

"618. Prohibition of contributions other than by individuals.".

Mr. BAKER. Mr. President, this amendment would allow only individuals to make contributions to political campaigns. It would strictly prohibit contributions by organizations, associations, co-ops, caucuses, committees, or any other group which aggregate funds from its members and gives those funds in the name of a cause, interest, or section of the country.

Having served for over a year as vice chairman of the Senate Select Committee on Presidential Campaign Activities, I can conceive of no more effective way to eliminate the distortive influence of special interests than by banning group contributions altogether. Obviously, not all contributions by groups distort or, in any way, influence the political process. However, there is no effective way to eliminate the groups that do, short of prohibiting group contributions or segregated funds completely—and that is precisely what I propose to do.

I do not think corporations or labor unions should be permitted to contribute. They cannot now, but they do through AMPAC, BIPAC, COPE, and a half dozen other devices. Moreover, I do not think purely political action groups should be permitted to contribute.

They cannot vote. The American Medical Association cannot vote. The U.S. Chamber of Commerce cannot vote. Common Cause cannot vote—except as individuals. So, why should they be allowed to contribute. Only individuals can vote, and I believe only individuals should be allowed to contribute.

I do not wish to infringe upon the freedom of association. That freedom is guaranteed by the first amendment to the Constitution; and I do not believe that my amendment would diminish that right in the least. However, it would diminish the ability of groups to assert influence beyond what they wield by virtue of their numbers and that, in my judgment, is the way it should be.

Throughout the debate on S. 3044, I have heard repeated references to the inordinate influence of special interests as a primary defense for public financing. But, according to the study released last week by Common Cause, I was the top recipient of political contributions in 1972 from business committees; and I am positive that I could have raised the same amount of money from individual contributions if I had been required to by the law. The fact of the matter was, and is, that I am not.

The study released last week by Common Cause states that at least $14.2 million has already been raised this year by various groups and special interests to support candidates in the House and the Senate.

Mr. President, I might say that the aggregation of contributions by special interest groups is a matter that has been discussed widely in public forums and in private. There is a great distinction between those contributions which are legal, and those to which I refer as legal, but undesirable.

In my case, it was stated that $50,000 or thereabouts had been contributed by business interests. That is roughly 5 percent of the total amount of the money collected from over 10,000 individual contributors to my campaign in 1972. That 5 percent, I do not believe, is going to have any distortive effect by its numerical value and weight on my position on issues of the day. It should be eliminated.

In colloquy with the distinguished senior Senator from Massachusetts (Mr. KENNEDY) the other day he said:

How would you eliminate the force and effect of business money and labor money if you did not go to public financing?

Mr. President, this is my answer. I would simply prohibit any contribution by any special interest group, and require instead that financial contributions be a matter of individual initiative, and only those qualified to vote, individual human beings, as distinguished from legal entities, organizations, associations, co-ops, and committees, be able to add their support for any candidate.

The Associated Milk Producers has collected $1.4 million; the American Medical Association has collected $889,000; the United Automobile Workers have collected $717,000.

These figures have been quoted by sponsors of the bill as proof of the need for public financing. And yet, even if we have public financing under the provisions of S. 3044, the ability of these groups to contribute to various campaigns will not be impaired. In fact, an amendment adopted narrowly last week doubles the contribution limitation imposed on groups of $6,000, applied separately to primaries, runoffs, special, and general elections. I understand that to mean that special interests can then contribute $6,000 to a candidate in the primary and an additional $6,000 in the general election, or a total of $12,000.

Virtually all public officeholders are not influenced in the least by $12,000. However, I suspect that some might be if that $12,000 were matched by three other committees or corporations of similar interest—interests which would then be represented by $48,000, and probably far more influence than they deserve. This is what I mean by the distortive effects of special interests.

The sponsors of the bill argue that S. 3044 is the only reasonable answer to this most serious problem. But, I respectfully urge them to tell me how they can make such a claim. Granted, S. 3044 imposes a limit on the amount individuals and groups can give to political candidates. But, S. 372 did that; and we could impose such limits without ever having to resort to partial or full public financing. Under S. 3044, any special interest can contribute up to $12,000 to a candidate if it is given separately in the primary and general election campaigns.

I realize that if a major party candidate reaches the required threshold during the primary campaign, he is eligible for a grant from the Treasury to the tune of 15 cents times the voting age population of the State or district. However, individuals or groups can still contribute if they wish, so long as their contribution is deducted from the subsidy provided by the Government. Moreover, in cases where an incumbent is contested, but not seriously challenged, and that incumbent decides against public financing, the special interests can contribute $6,000 in the primary and another $6,000 in the general election. So what has been done to protect the political process from special interests in this bill? They can still contribute at least $6,000, and possibly $12,000.

Limiting the total amount of their contributions is a significant improvement over what we have had in the past and what we have today; but I do not think it is enough to convince the American people that the financial influence of the special interests has been diminished, much less eliminated. That is why I propose that only individuals be allowed to contribute and that group contributions, particularly special interest contributions, be strictly prohibited. Otherwise, the $14.2 million which Common Cause reports has already been raised for House and Senate races will be given and public suspicion about corporations, labor unions, and others wielding inordinate political influence will continue.

In disclosing the study last week, a spokesman for Common Cause said:

"Anyone who thinks the Watergate scandals have put special interest givers out of business had better take a close look at these figures." He went on to say that there is "no way to restore confidence in this system when the same old thing is going on."

This is precisely my point. The special interest givers are alive and well in 1974, Watergate and potential indictments not withstanding. Moreover, I could not agree more that confidence will only be restored if we correct the glaring abuses of past campaigns. Nevertheless, S. 3044, with the avid support of Common Cause, allows the same old things to continue. It will allow groups or organizations, whether they are occupational or otherwise, to distort the most sensitive of all

processes. It will perpetuate the worst part of our electoral process. And it will continue the serious erosion of public trust in our major governmental institutions.

I cannot accept the argument that group contributions are necessary to adequately fund an effective two-party system. But even if they were necessary in the past, they certainly should not be under a new system of public financing, or even under a refined form of private financing through realistic tax incentives such as I have proposed with Senators ERVIN, TALMADGE, GURNEY and others.

I would be willing to bet, though, that under the provisions of S. 3044, in which the role of private contributors has been substantially reduced, the reduction will not be felt so much by the special interests as by the individual contributor. In fact, I doubt very seriously whether S. 3044 will reduce at all the number of special-interest givers. It may only reduce slightly the amount of money they can give to individual candidates.

Now, is that real reform? It seems to me that the only realistic way to eliminate the distortive effects of special interests is to prohibit contributions by groups altogether. They cannot vote. Only individuals can vote; and I, therefore, propose that only individuals be allowed to contribute. In my view, it would be the single most constructive improvement we could make in the political process, in the wake of the events of the past 2 years.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

Mr. President, while the amendment of the Senator from Tennessee is very laudable in its objective—all of us want to see a reduction in the influence of special interest groups—it is sort of like throwing the baby out with the bath water. It is an overkill situation. It would put all political committees out of business, as well as other types of groups, over and above that of individuals. I do not think it is practical. I do not think a campaign could be carried on in this fashion, under the terms of the bill, as we have drafted it, if we are to prohibit any contributions from committees. And I do not see that it really achieves an objective that would be very helpful to the process.

I think the main thing that is going to result in a lessened influence in the political giver field is the fact that we have not required a complete and full disclosure and have limited the amount, so that a person cannot give more than $3,000, and in turn we have limited the expenditures.

So I would hope my colleagues would not support the amendment. As I said, I do not think it is a practical one. I think we are gradually getting ourselves into a position where it is going to be impossible to carry on political campaigns.

Mr. COOK. Mr. President, will the Senator yield me some time?

Mr. CANNON. I yield.

Mr. COOK. Mr. President, after my discussion the other day with the Senator from Connecticut, I find myself in a strange position with the amendment of my good friend and colleague from Tennessee. I, as he knows, have very serious reservations about the Federal Government's subsidizing and paying for political campaigns, but I also know that what the Congress giveth, the Congress can taketh away, and I think somewhere along the way we have to at least attempt to give things a try. I guess I find myself in the kind of situation where maybe we should try.

I know that we on this side of the aisle, as Republicans, are always told that all the big givers in the United States somehow or other are Republicans. I have just got to say, Mr. President, that in my State that "just ain't so."

Mr. BAKER. Mr. President, will the Senator yield so I may ask for the yeas and nays on the amendment?

Mr. COOK. I yield.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BAKER. I thank the Senator.

Mr. COOK. In my part of the country that just is not so. Somehow or other that is a much used and I must say, in all fairness, a much maligned remark, and I think my good friend from Minnesota would say there are some pretty good givers in the South other than Republicans, and they are Democrats.

Mr. HUMPHREY. Not so many.

Mr. COOK. They are not nearly enough, I am sure.

I ran my last campaign on a third of the money that the last two candidates, Democrat and Republican, ran on in my State, and I would like to feel this could work. I would like to feel that some day, if we try and we fail, this is what we will do. I do know that we passed a bill last year and we sent it over to the House, and it got nowhere, and I am sure there are those who say the Republicans are trying to do something about it and are against Government financing, but I think even the gentlemen in the news gallery would have to say it is not the Republican leadership position that is stopping the movement of the political campaign bills in the House of Representatives.

So I have just kind of taken the position that I want to send the House as much as I can so I can at least get something. Maybe that is a poor excuse. Maybe that is an easy way out. But I am awfully tired of being, somehow or other, blamed, and when we read an article in the morning paper we read that the Republicans attempt to stall something else. I hate to be grouped together in that way. I stand for what I stand, and we are here on the floor to stand up for the basic concepts and basic principles in which we believe. Somehow or other, I resent those kinds of characterizations that occur.

But I must say to the Senator from Tennessee that I wish he were right. He may very well wind up being right. I think in the meantime, as the process closes and as the process subjects itself to criticism, there are times when we have to look to different answers and at least try.

I have convinced myself that maybe we ought to try. I do not like it too much. I think what I dislike the most is the idea that we are really building two political parties, as we know them—the Democratic Party and the Republican Party. But nowhere does the Constitution say that there shall be two political parties in the United States. I think that we are saying that a third party will never see the light of day in this country, because the biggest portion of the money will go to the two principal parties, and that those who really wish to seek reform and make a major impact on the country will not be able to do it.

Abraham Lincoln was not a Republican all of his life. It was in 1854 that he joined another group and established the Republican Party. It was a minority party, because he came from the Whig Party. But he decided to change and that he should do something about the basic philosophy in this country. I really cannot see that happening, and it bothers me.

I look to the future. I look to 1976 and to 4 years later, and I see ourselves in this situation. We discussed it the other day. One party will get 40 percent and the other will get 50 percent. That is 90 percent. The other party gets one-ninth of that 90 percent, or 10 percent. That means that if there is $19 million, one party would get $9 million and the other party would get $9 million. That would leave $1 million for the other party.

How can a third party be an effective party in the United States philosophically, to impress its desire and philosophies on the American people, when only $1 million is going to be applied as against the parties with $9 million each at the polls?

This bothers me. It truly bothers me as to how we will freeze in something that the writers of the Constitution never intended us to do. My salvation is that what Congress can do, Congress can undo. If we can find a better way, we will find a better way. However, I do not honestly believe that in looking for a better way, maybe we will have to try this way. Maybe we will have to try to find a more equitable solution for equitable distribution in what we do.

I just cannot see how we can say to the American people that we have made honest givers out of them so that each one will give $100, and only $100, and that no organization can give more.

We have done this so many times that we cannot count them. We have said we have the Corrupt Practices Act saying how much Members of Congress can spend on our campaigns. It has not been done for 40 or 50 years or more. So if this is the route we are to take, I am afraid it will not be long before we do not know what we are to do. What are we to do? Are we to put a person in jail because he gives $50? Reports that have failed to be filed, and nobody is even concerned over doing anything about it.

So maybe we have to make a stark change, as bad as it may sound to me, and maybe find a way out of this to a better way. Maybe we have to go all the way over the hill before we find a way to get back. That would be a terrible thing. However, every time we make a slight change, we find a way to violate it, knock holes in it, and get around it.

So, Mr. President, I am going to vote against this amendment purely and simply because I think we have to reflect a consideration of the American people. Rightly or wrongly, we have made a remarkable change. Some people may totally dislike it. We may be putting the system in jeopardy. But then it is their system that is changed, and if they do not like it, it will be reflected in this Chamber.

Whether they like this system or not, we are not trying to make a change for our convenience. Certainly, some politicians have cheated. For everyone who made a contribution, somebody cheated.

Mr. President, I am opposing the amendment of the Senator from Tennessee because I think, on reflection, that we have tried, at least, to send to the House of Representatives a change that will be tremendous, but by now we have gotten no action at all. We will get some action, and up to now we have gotten no action at all.

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

Mr. BAKER. Mr. President, I yield to the Senator from Kansas as much time as I have.

Mr. DOLE. Mr. President, I do not know how much time the Senator has, but I want to propound a question to the Senator from Tennessee.

In the discussion he defined the word "contribution." Is that limited only to money, or is it limited to so-called volunteer services? What is the meaning of "contribution" under the amendment?

Mr. BAKER. The definition of "contribution" in the body of the bill itself is unchanged As I understand the bill, that would include many things of value. It would not include, as I understand the description in the bill, the efforts of volunteer workers. It would include office rent, stationery, and things of that sort. The amendment in no way changes the definition in any section of the bill itself.

Mr. DOLE. Mr. President, a recent article of the Wall Street Journal—which I do not have before me—which speaks about the money spent in Cincinnati, Ohio, and Grand Rapids, Mich., where labor through paid volunteers, was used to work for the candidates and for the telephone banks.

It occurs to the junior Senator from Kansas whether it is a labor organization or one of the organizations mentioned by the Senator from Tennessee, whether or not they are paid volunteers, paid by the associations or paid by COPE or paid by the unions or paid by the milk producers, we are getting into another area that deserves some attention.

As I understand the amendment, I think it is a step in the right direction. This problem may be addressed in another amendment, but, as I understand the amendment, I think it is a step in the right direction.

I do not share the views expressed by my friend the Senator from Kentucky that we ought to do this because nothing else has worked, and that we will not have a first party, let alone a second or a third party. If we adopt such a financing plan, I think that the amendment of the Senator from Tennessee is a big step in the direction not only of disclosure, but also of limiting contributions to an individual. As far as I am concerned, this goes a long way toward cleaning up the process.

I support the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. Who yields time?

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

Mr. BAKER. I yield.

Mr. ERVIN. Mr. President, I am strongly in favor of this amendment. I think it is the right approach. I think it has a twofold virtue. It enables a party's candidates to get sufficient campaign funds if they have sufficient public appeal.

Furthermore, it interests the American citizens in the electoral process voluntarily, and not involuntarily as the bill does. I sincerely believe that this will come nearer to solving this problem than any suggestion that has been made at any time prior to this amendment, and I strongly support it.

Mr. BAKER. Mr. President, I am certain that the Senator from North Carolina has more experience on this problem than any other Member of this body. I appreciate his remarks.

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

Mr. BAKER. I yield.

Mr. BROCK. I commend the Senator for this amendment. I have great sympathy with it.

I would like to clarify one point, for the purpose of establishing legislative history, and that is, does the amendment inhibit the right of the Senate or House of Representatives Democratic or Republican campaign committees to support the candidates of their choice?

Mr. BAKER. It is my understanding that the effect of this amendment on the bill as a whole—has to do solely with those who can legally contribute; the amendment would require that only qualified voters be allowed to contribute to those committees. It would not prevent those committees, however, such as the Democratic or Republican congressional committees or campaign committees, from performing their function.

Mr. BROCK. And the committees could support the candidates of their choice?

Mr. BAKER. That is my intention. That is the way I interpret the amendment when read in context with the rest of the bill.

Mr. BROCK. I thank the Senator.

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

Mr. DOLE. I yield.

Mr. COOK. If only qualified voters can contribute to that fund, which then, in turn, contributes to a candidate, if that fund is not a qualified voter how can it contribute to a candidate?

Mr. BAKER. Because there is another section of the bill which recognizes campaign committees.

Mr. COOK. In other words, the section the Senator is amending allows not only qualified voters, but campaign committees, to contribute to a candidate?

Mr. BAKER. That is right. The committees which are described in the bill itself, the central campaign committees, for instance, in section 310, and congressional and senatorial campaign committees which are referred to in the bill as well. We do not change that section, therefore we do not change their rationale, their reason for being, or the legitimacy of contributions by them.

Mr. DOLE. I thank the Senator very much, and I appreciate his intent and purpose.

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

Mr. BAKER. I yield.

Mr. HUMPHREY. Do I correctly understand, in other words, that the COPE organization of the AFL–CIO, under the amendment, would be able to make a contribution?

Mr. BAKER. No, it would not.

Mr. HUMPHREY. What is wrong with that? It is a committee.

Mr. BAKER. Yes, but neither COPE, the Anti-Defamation League, the U.S. Chamber of Commerce, nor anything of that sort could contribute to one of the committees involved, except the senatorial or House committee of either party or its central campaign committee.

Mr. HUMPHREY. Why not, if the workers want to contribute $2 apiece, let the committee write out a receipt showing that they contribute $2, and put it into a fund? Why cannot someone make a contribution under the limitations of the bill? I do not think they ought to have an unlimited right, but if I understand, under the bill the maximum amount would be $6,000.

Mr. BAKER. That would be $12,000 for a primary and a general election; $6,000 if it is only one.

Mr. HUMPHREY. Yes.

Mr. BAKER. My reason for it, in answer to the question of the distinguished Senator from Minnesota, is that I think the aggregation of money in that way creates an enormous sum of money, in many instances, that has a distortive impact far beyond the importance of the individual committee, whether it is a labor organization, a business association, a cooperative, or COPE.

I think it is perfectly appropriate and much to be desired that the individual worker make his $2 contribution, but he should send that $2 contribution to the central campaign committee of a candidate, or a congressional or senatorial campaign committee, and not under the aegis or auspices of his company, his union, or any other group that itself is not a bona fide member of society.

This strikes at the very reason and rationale for this amendment, I might say to the Senator.

It is my belief that only individuals should contribute, and that special interest groups, whether they are business-oriented, labor-oriented, industry-oriented, geography-oriented, ethnic-oriented, or whatever kind of groups, should not be able to make these huge contributions that they do frequently make.

Mr. HUMPHREY. What about the Democratic or Republican Central Campaign Committees?

Mr. BAKER. They are specifically re-

ferred to in another section of the bill, and would continue to function, except that this amendment would preclude the receipt by those committees of contributions except from individuals.

Mr. HUMPHREY. Except from individuals?

Mr. BAKER. Yes.

Mr. HUMPHREY. But it would not prohibit those committees, as such, after they have garnered in the money from individuals, which is exactly basically what they do, from contributing up to the maximum of $6,000; is that right?

Mr. BAKER. It would not prohibt them from functioning as they now function.

The distinction, and the reason for it, is that the party system itself contemplates that the party will contribute to its nomineees and candidates, but that is distinguished from special interest groups, whether it be the milk industry, labor unions, or whatever.

Mr. HUMPHREY. Or the AMA?

Mr. BAKER. Or the ABA, or the Sierra Club. There is a legitimate reason for a party to try to elect its candidates.

Mr. HUMPHREY. The Senator does not call the Democratic National Committee a party as such, does he?

Mr. BAKER. Yes; there are two, one Democratic and one Republican.

Mr. HUMPHREY. Well, it is not a party, it is a national committee.

Mr. BAKER. I think that the party system in the United States is a blessing in many respects, and one of its great blessings is that it is so loosely knit that it is not inflexible, but it is strong enough and identifiable enough so that we know, for instance, that the Democratic National Committee, the Democratic Central Campaign Committee and the Democratic Congressional Committees are in fact a part of the Democratic Party.

No one doubts that. I think they add strength to the party system, and I have a great deal of respect for the two-party system, and believe this amendment will strengthen it rather than diminish it.

Mr. HUMPHREY. Just to get the record clear, then, once again, this amendment would eliminate, for example, any campaign funds from, let us say, the political action committee of the American Medical Association?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or the Chamber of Commerce?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or the insurance industry?

Mr. BAKER. Yes.

Mr. HUMPHREY. Or the labor movement?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or all the dairy cooperatives?

Mr. BAKER. Yes.

Mr. HUMPHREY. Or the Friends of the Wilderness?

Mr. BAKER. That is correct.

Mr. HUMPHREY. Or you name it; in other words, if they went out and solicited their membership for voluntary contributions, and they were truly voluntary contributions, they would still not be eligible under this particular amendment?

Mr. BAKER. This is absolutely correct.

Mr. President, I yield back the remainder of my time, if the chairman is prepared to yield back his.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HELMS). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Tennessee. 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 Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

The result was announced—yeas 36, nays 53, as follows:

[No. 113 Leg.]

YEAS—36

Allen	Domenici	McClure
Baker	Dominick	Montoya
Bartlett	Ervin	Nunn
Beall	Fannin	Packwood
Bellmon	Fong	Pearson
Bennett	Goldwater	Randolph
Brock	Griffin	Roth
Byrd, Harry F., Jr.	Gurney	Taft
	Hansen	Thurmond
Chiles	Helms	Tower
Cotton	Hollings	Weicker
Curtis	Hruska	
Dole	McClellan	

NAYS—53

Abourezk	Haskell	Muskie
Bayh	Hatfield	Nelson
Bentsen	Hathaway	Pastore
Bible	Humphrey	Pell
Biden	Inouye	Proxmire
Brooke	Jackson	Ribicoff
Burdick	Javits	Schweiker
Byrd, Robert C.	Johnston	Scott, Hugh
Cannon	Long	Sparkman
Case	Magnuson	Stafford
Church	Mansfield	Stennis
Clark	Mathias	Stevens
Cook	McGee	Stevenson
Cranston	McGovern	Symington
Eagleton	McIntyre	Talmadge
Eastland	Metcalf	Tunney
Hart	Mondale	Williams
Hartke	Moss	

NOT VOTING—11

Aiken	Huddleston	Percy
Buckley	Hughes	Scott, William L.
Fulbright	Kennedy	
Gravel	Metzenbaum	Young

So Mr. BAKER's amendment (No. 1126) was rejected.

THE INCOME TAX MATTER OF THE PRESIDENT

Mr. CURTIS. Mr. President, this morning I made a statement before the Joint Committee on Internal Revenue Taxation which outlines my position in reference to the income tax matter of the President of the United States, which had been referred to the Joint Committee on Internal Revenue Taxation. I ask unanimous consent that the statement be printed in the RECORD.

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

STATEMENT OF SENATOR CARL T. CURTIS BEFORE THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION, APRIL 3, 1974

Mr. Chairman, as you are aware, I have devoted a substantial amount of time to careful line-by-line study of the draft of the Staff's report on the gift of pre-presidential papers and the brief which Messrs. Rose and Gemmill submitted on behalf of the President, which I received last Saturday.

Let me say at the outset that to me it is clear that the Staff has made an exhaustive examination into the facts surrounding the controversy over the propriety of the income tax deductions claimed with respect to the papers. This task assigned to the staff was an onerous and extremely difficult assignment, in the performance of which the staff clearly has devoted an enormous amount of time and effort. I have always had a high regard for this staff. I therefore trust that neither you, my colleagues, nor the members of the staff will in any way view my comments as a criticism of the staff.

Having said that, however, I do have a few observations that I think must be made if we are to carry out our task to fairly and impartially seek the truth.

When we agreed to undertake a review of this question, I believed, and I think others did as well, that, by careful investigation, we could arrive at an agreement as to what the true facts were and then proceed to apply to those facts sound legal principles. It is now apparent to me that this is impossible. The facts are in dispute and competent lawyers are in apparent disagreement as to the proper legal principles.

Let us look at the factual disputes first. As I reviewed the staff's report, certain items of testimony literally cried out for cross-examination under oath. For example, questions have been raised about Mr. Erlichman's recollection of the President's statements of donative intent. For further example, take the testimony of Mr. Newman, the appraiser. He has modified his earlier statements of the facts. Was his subsequent recollection in fact more accurate than his original one, or was it the other way around? We don't know and we can't know absent his testimony under oath, and subject to the rigors of cross-examination. Similarly, there seems to be a question as to the understanding under which the GSA and the National Archives accepted possession of the President's papers on March 26 and 27, 1969. Some of the evidence indicates that the papers were received on those dates "for gift purposes." The staff has apparently gained the impression that the papers were perhaps received only for custodial purposes. Again, we cannot simply pick one version over another. The need for sworn testimony with full opportunity for cross-examination is clear.

There is another facet of the factual problem which troubles me. The staff's report calls into question whether the President intended to make a gift of some $500,000 worth of papers or whether he merely intended a gift which would give him the maximum tax benefit for 1969. Do we know that we have all of the facts on the critical question of donative intent? I respectfully suggest that we may not have in the staff report which was delivered to me last Saturday all of the information on this and other questions of fact. For instance, there is no mention of the

letter from Mr. James E. O'Neill, Acting Archivist, to former Senator John Williams of Delaware dated December 7, 1973, which states that President Nixon's gift of papers was made on March 27, 1969. For further example, I found no reference to the Foundation which the President was reported to have formed in the forepart of 1969 which, I assume, was to be a Presidential Library such as Presidents Johnson, Eisenhower and Truman created. This might have a bearing on the issue of donative intent.

What all this means to me is that there are legitimate factual disputes and that we have no proper way to resolve them. Let me explain. It appears that the staff's report was based on interviews not under oath and at which the President's representatives were not present and thus had no opportunity for cross-examination. In my view, therefore, all we have accomplished with certainty so far is to establish that there are fundamental disputes as to the facts. The resolution of such factual controversies, particularly where the facts have legal significance as they do here, has, in our legal system, long been a function of the judiciary. This is proper. The courts are equipped to receive testimony under oath and to subject that testimony to cross-examination. Equally important, in resolving factual disputes the courts permit only that testimony which is competent and material to be admitted in evidence. For example, testimony which is hearsay and that which is unfounded opinion is disregarded because history has taught us that such testimony may be entirely wrong.

We are legislators and our procedures are not equipped to gather evidence under such standards. In short, as to the facts, a judicial approach, and nothing less, is required. We are not the persons to do so.

It also now appears that, even if we had an agreed statement of facts, which we do not have, we could not simply apply well-established principles of law to those facts as we originally thought we could do. This is because it now has become apparent there are honest differences of opinion as to what the law requires.

Let me illustrate. The staff's report states that a deed was required to effect the 1969 gift of papers because there were restrictions on their use. The President's counsel disagreed. They say that there was no need for a deed since it should have been assumed that the restrictions attached to the 1968 gift were equally applicable to the 1969 gift. As a matter of common sense, this is persuasive to me. Moreover, if I recall the principles of the law of gifts correctly, a deed is not an essential element of a gift of personal property. Additionally, the Presidential Libraries Act suggests a strong public policy in favor of gifts of papers. The President's counsel make much of this fact. It seems to me that some of their points are well-taken. Yet, it seems to me that the staff may disagree. I could go on, but these two examples illustrate to me that the legal principles are not as clear-cut as we had supposed they would be.

Since there are both fundamental factual disputes and disagreements over legal principles, what course of action should we take? In my view, there is only one proper course. We should let the matter be decided in a proper judicial forum. In fairness to the public, to the President, and to the truth, I see no other alternative. If the facts were undisputed and complete, and they are neither, perhaps we might make a judgment. But, at present, we have no basis for such a judgment.

I therefore propose that we let the IRS make its assessment and, if the President disagrees with the assessment, he, like any other taxpayer, may have his recourse to the courts. The Staff's exhaustive report may be forwarded to the IRS. If a majority of the Committee so desires, it may be made public together with an explanation of why, contrary to our original expectation, we could not properly reach a definitive conclusion.

If we cannot at this time agree on a decision to follow the course which I have outlined in the above paragraph, we should take ample time to study the Staff report and meet at a later date to determine our course of action.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CANNON. Mr. President, I move to reconsider the vote taken on amendment No. 1102, for a technical correction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. CANNON. Mr. President, that amendment appeared to remove the calendar limit on the $25,000 which an individual may contribute to all candidates and committees, as applied to Senate and House campaign committees. The colloquy showed that that was not the intent.

We have discussed the matter with the Parliamentarian and the legal counsel in order to get the correct wording; and I therefore move to amend that amendment as follows: On line 7, after the word "to" insert the following: "contributions made by".

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 7, after the word "to" insert "contributions made by".

Mr. CANNON. Mr. President, I say to my colleagues that all this does is to make absolutely clear that this does not remove the $25,000 overall contribution limit that we had written in the bill.

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

The amendment was agreed to.

AMENDMENT NO. 1075

Mr. BAKER. Mr. President, I call up my amendment No. 1075.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 35, line 14, strike out "tenth" and insert in lieu thereof "fifth".

On page 36, line 9, after "other than", insert the following: "the fifth day preceding an election and".

On page 36, line 15, after "filed on" insert the following: "the fifth day preceding an election or".

On page 63, beginning with line 11, strike out through line 5 on page 64.

On page 64, line 7, strike out "318." and insert in lieu thereof "317.".

On page 64, line 14, strike out "319." and insert in lieu thereof "318.".

On page 75, line 19, strike out "(a)" and insert in lieu thereof "(a) (1)".

On page 75, between lines 23 and 24, insert the following:

"(2) No person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, between lines 2 and 3, insert the following:

"(2) No candidate may knowingly accept a contribution for his campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, strike out "paragraph (1)." and insert in lieu thereof "paragraph (1) or (2).".

On page 77, between lines 5 and 6, insert the following:

"(e) No candidate, or person who accepts contributions for the benefit or use of that candidate, may accept a contribution which, when added to all other contributions accepted by that candidate or person, is in excess of the amount which is reasonably necessary to defray the expenditures of that candidate.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BAKER. Mr. President, it is my intention, if it is agreeable to the managers of this bill and the leadership, now that the amendment has been laid before the Senate, to reserve until tomorrow the debate on the amendment and the vote. It is 5:20 p.m., and if the leadership or the managers of the bill wish, I will be happy to proceed; but it appears now more appropriate to make this the pending business after the cloture vote tomorrow.

Mr. MANSFIELD. The Senator will be doing us a favor if he does that. I wish he would.

Mr. ROBERT C. BYRD. Regardless of the outcome of the cloture vote.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Does that require a unanimous-consent agreement? If it does, I so propound that request.

The PRESIDING OFFICER. It does not require unanimous consent.

Mr. BAKER. I thank the Chair.

Under those circumstances, I reserve my time until the appropriate point during the proceedings on tomorrow.

AMENDMENT OF DISTRICT OF COLUMBIA REVENUE ACT OF 1974—CONFERENCE REPORT

Mr. EAGLETON. Mr. President, I submit a report of the committee of conference on H.R. 6186, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. PELL). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

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

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of March 27, 1974, at p. 8536.)

Mr. EAGLETON. Mr. President, this conference has been cleared with both sides.

I rise in support of the conference report on H.R. 6186. This legislation must be viewed in the context of the Home Rule Act. The need for this legislation arose when the Civil Service Commission rendered an opinion indicating that the current appointed Mayor-Commissioner, Chairman, and members of the City Council of the District of Columbia would have to resign their offices in order to seek one of the elective offices created under the Home Rule Act. The legislation has a twofold purpose. First, it prevents a possible hiatus in governance in the District of Columbia by allowing the current appointed officials to run for elective office without resigning. Second, the legislation is intended to actively promote the widest possible participation in the first elections held under the Home Rule Act.

This legislation provides that persons employed by the U.S. Government or by the government of the District of Columbia shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman, or member of the Council. Without this legislation, the Hatch Act, which prohibits Federal and District employees from taking an active part in political management or political campaigns, would have prevented such persons from being candidates. The legislation provides that an individual who works for the U.S. Government or the government of the District of Columbia who becomes a candidate may take an active part in political management or political campaigns in the elections for the office of Mayor, Chairman, and member of the Council. The exemptions apply only to candidates.

The exemptions are very limited and are intended to allow Federal and District employees to be candidates for these offices without resigning their employment. It is important to stress that participation in political management and political campaigns will still be prohibited by persons who do not qualify as bona fide candidates. It is also important to stress that all of the other provisions of the Hatch Act will continue to apply to both candidates and noncandidates.

The conference report limits the duration of the candidacy so as to insure as far as possible that only bona fide candidates will qualify for and continue to operate under the exemption. Candidacy is specifically defined as the period of time from which the candidate secures a nominating petition until: First, the day following the day he does not qualify to be a candidate by failing to secure the appropriate number of signatures; second, 30 days after he loses in the primary election; third, 30 days after he loses in the general election; or fourth, if elected, on the day he takes office.

The exemptions contained in the conference report applying to Federal and District employees will take effect on the day the residents in the District ratify the charter, May 7, 1974. These provisions will terminate, however, on January 2, 1975. This will insure that the exemptions will be available for only Federal or District employees who intend to run for office in the first elections held under the Home Rule Act.

In order to have the fullest assessment of the impact of this legislation, it is the sense of the managers of the conference that the U.S. Civil Service Commission should review the administration and operation of this legislation to determine its effect on elections in the District of Columbia and to report to the Congress on its findings and recommendations.

The conference report also adopts language which would exempt the offices of Mayor, Chairman, and member of the Council as established under the self-government legislation from the prohibitions against active participation in political management and political campaigns contained in the Hatch Act. The intent of this provision is to put these elected officials in the same position as elected State and local officials nationwide, and thereby allow them to be politically active.

In order to specifically deal with the possible hiatus in governance in the District of Columbia, the Commissioner of the District of Columbia and the members of the District of Columbia Council, including the Chairman and Vice Chairman, are exempted from the provisions of the Hatch Act prohibiting participation in political management and political campaigns for the first election. The operative effect of this section will be that the current appointed Mayor-Commissioner and City Council members would not have to resign their positions in order to run for elective office under the Home Rule Act.

This legislation is very limited in what it does do and intentionally so. Allow me to indicate specifically what the legislation does not do. The legislation does not exempt anyone from any provisions of the Hatch Act except that section which prohibits active participation in political management or political campaigns. The limitations on political contributions and services, political use of authority or influence, and influencing elections still stand.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

INCREASES IN CERTAIN ANNUITIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to call up S. 1866 at this time, and I do so pending the arrival of the distinguished Senator from Wyoming, the chairman of the Committee on Post Office and Civil Service, because the distinguished ranking Republican member has remarks to make which will be in contrast to what the chairman of the committee desires.

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

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1866.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 1866) to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes which was to strike out all after the enacting clause, and insert:

That section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) (1) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof, is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.".

SEC. 2. (a) An annuity payable from the Civil Service Retirement and Disability Fund to a former employee or Member, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

(b) In lieu of any increase based on an increase under subsection (a) of this section, an annuity payable from the Civil Service Retirement and Disability Fund to the surviving spouse of an employee, Member, or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

(c) The monthly rate of an annuity resulting from an increase under this section shall be considered as the monthly rate of annuity payable under section 8345(a) of title 5, United States Code, for purposes of computing the minimum annuity under section 8345(f) of title 5, as added by the first section of this Act.

SEC. 3. This Act shall become effective on the date of enactment. Annuity increases under this Act shall apply to annuities which commence before, on, or after the date of enactment of this Act, but no increase in annuity shall be paid for any period prior to the first day of the first month which begins on or after the ninetieth day after the date of enactment of this Act, or the date on which the annuity commences, whichever is later.

Mr. FONG. Mr. President, I rise to oppose S. 1866 as amended by the House.

I supported this measure as it was reported out by the Senate Committee on Post Office and Civil Service last year. The committee version of the bill was designed to help those Federal retirees and their survivors who are most in financial need by raising the annuity of each retiree or his survivor to the minimum amount payable to beneficiaries under social security. The social security minimum was $84.50 per month and this is still the minimum. The cost of the committee bill was $433 million.

As the bill was written by the committee, these annuities would increase whenever the social security minimum benefit increases.

However, during debate on S. 1866, the Senate amended the committee bill by adding two new provisions, only one of which is still in the version before us today. That amendment would increase by $20 a month the annuities of all Federal retirees who retired prior to October 20, 1969, not just the most needy retirees. A surviving spouse would receive an increase of $11 per month. The cost of this amendment is $1.5 billion.

Therefore, the total cost of S. 1866, as it is before us, is $1.9 billion. Because the $1.9 billion would be amortized over 30 years, interest charges would push the total cost over 30 years to $3.5 billion.

Under S. 1866, so as amended, 80 percent of all Federal retirees or their survivors—approximately 740,000 individuals—would receive these increases—even those retirees whose annuities right now are above the social security minimum monthly benefit. Only 210,000 of these individuals are currently below the $84.50 social security minimum.

The 740,000 individuals affected are those retirees—or their survivors—who retired prior to October 20, 1969, and whose annuities were computed on their average "high-5" salaries.

Only Federal employees who retired after October 20, 1969, have been allowed to compute their annuities based on their average "high-3" salaries. Obviously, the average "high-3" yields a higher annuity than the average "high-5".

The Congress in 1969 chose not to make the "high-3" provision retroactive, but only prospective. A retroactive law would have made the cost of the bill prohibitively high and would have added too large an amount to the existing deficit in the Federal retirement fund, which even in 1969, was $60 billion in the red.

Both the "high-5" and the "high-3" annuitants have been receiving automatic increases in Federal annuities based on percentage increases in the cost of living, since the 1965 act passed by Congress. Whenever the cost of living increases 3 percent or more above the base period, Federal annuities are increased by the same percent, plus an additional 1 percent. Since 1969, Federal annuities have increased 35.4 percent.

The automatic cost of living annuity increase law is a reasoned and fair method of increasing Federal annuities to compensate for increases in living costs. Annuities should not be increased in a haphazard manner as S. 1866 proposes.

The Congress would be establishing a very bad precedent by approving this legislation. If this measure is enacted, it will invite similar legislation in the future. Whenever liberalizations are made in Federal employee retirement laws for future retirees, the Congress will be subjected to intense pressures to give comparable dollar increases to past retirees, at no cost to them. It is the American taxpayer who is forced to bear the burden.

Using a median income family taking the standard deductions, the Library of Congress has computed that family's Federal income tax to be $1,085 per year. At that rate it would take the taxes of 1,751,152 taxpayers to pay the $1.9 billion one-time costs of this bill.

Using the same median income family's taxes it would take 3,220,000 taxpayers to pay the $3.5 billion 30-year amortization cost of this legislation.

The Federal retirement fund is right now $68.7 billion in deficit. Passage of this bill would increase that deficit by $3.5 billion, to $72.2 billion. Payments for this deficit will have to be made out of the General Treasury or else the fund will dry up. It is the general taxpayer who in reality will pay this $3.5 billion cost.

The Congress must act responsibly. Existing law already provides for increases in Federal annuities in line with cost-of-living increases. We should not today act in this haphazard manner to alter the basis for "high-3" and "high-5" retirees. If we approve S. 1866, then we should also consider repealing the automatic cost-of-living increase law.

I am sympathetic to the plight of the Federal retirees whose annuities are low. This is why I supported the cost-of-living increase law and the committee version of S. 1866. However, in giving an across-the-board increase as directed in S. 1866, we cannot provide sufficiently for those retirees and their survivors who really need financial help.

I most sincerely would like to help those whose annuities are low, but I do not believe S. 1866, as passed by the House, is the answer. I urge its defeat. As this measure in substance passed the Senate some time ago, I will not ask for a rollcall vote.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. FONG. I am happy to yield.

Mr. COTTON. I understand that this bill has been taken from the calendar, to be taken up at this time.

Mr. FONG. The Senator is correct.

Mr. COTTON. Is it a question of approving a House bill or a conference report?

Mr. FONG. This is to approve an amendment passed by the House. This is a Senate bill that went to the House; the House changed it and sent it back; but in substance it is the Senate bill except for a few deductions and a limitation of the provisions dealing with social security benefits.

Mr. COTTON. What did I understand the Senator to say was the approximate added cost?

Mr. FONG. It would be an additional $1.5 billion from the bill we passed in committee and it would cost $1.9 billion. The $1.9 billion would be amortized over 30 years; the interest charges would push the total cost over 30 years to $3.5 billion. As stated before the fund is now $68.7 billion in the red.

The Federal retirement fund is right now $68.7 billion in deficit, and with the passage of this bill we will increase that deficit by $3.5 billion to $72.2 billion in deficit.

Mr. COTTON. We are not adding to the amount the Senate previously passed?

Mr. FONG. The Senate passed a bill almost like this bill in substance. We added a provision for social security which was taken out by the House. The House has refined this bill somewhat so the cost is about the same.

Mr. COTTON. So this bill is somewhat less in cost to the taxpayers than the bill the Senate passed and sent to the House?

Mr. FONG. Yes.

Mr. COTTON. The Senate has already passed the bill. The object is most worthy. The Senator from New Hampshire has complete respect for and confidence in the managers of the bill and the committee. However, the Senator from New Hampshire cannot refrain from one observation. It is a matter of almost $2 billion——

Mr. FONG. $3.5 billion.

Mr. COTTON. $3.5 billion. That is not the increase?

Mr. FONG. The increase is $1.5 billion, but if we add the interest charges, it would run it up to over $3 billion.

Mr. COTTON. I count seven Senators on the floor at the end of the day, and no doubt we have to vote for this bill. The Senate has already voted for it. Undoubtedly, if we had all 100 Senators present, we would have to pass the bill.

Without casting any reflection whatsoever—the leadership knows I would be the last Senator to criticize it—at a time when we are screaming about the cost of Government, it is not too edifying a spectacle to act on a matter of $3 billion at half past 5 in the afternoon, when it has been announced that there would be no more votes, Senators are all gone, and just put it through with a skeleton force on the floor.

I think that is the sort of thing that is misunderstood. I do not say there is anything improper about it, because obviously the bill would pass even if the rest of the Senate were here. But we

could wake up some morning and someone will say, "Yesterday you passed a $3 billion bill." One could say, "When did we pass it?" The reply would be, "You passed it on April 3." Every little thing seems to be undermining the confidence of the people in their public officials. Congress is held in low esteem. We have fallen behind even the used car salesmen and the billing given the White House. I just think it is the sort of thing we ought to vote on, but I will not, of course, attempt in any way to pit my judgment against the whole Senate's judgment, which has already voted for the bill, and which I suppose would be adopted by the leadership and by the committee and the Senators in charge.

Mr. MANSFIELD. Mr. President, if I may have the attention of the acting Republican leader and the manager of the bill, the chairman of the committee, and the ranking Republican member, I would like to make a suggestion.

I ask unanimous consent that the bill, which passed the Senate, I understand, by a vote of 70–some to 17, which has been changed——

Mr. FONG. 71 to 19.

Mr. MANSFIELD. 71 to 19, which has been changed very little as a result of the House action, and, as the distinguished Senator from New Hampshire has said, the Senate has already expressed its will, be taken up at 2 o'clock tomorrow afternoon; that there be a time limit of 1 hour, the time to be equally divided between the manager of the bill, the distinguished Senator from North Dakota (Mr. BURDICK), and the ranking Republican member of the committee, the distinguished Senator from Hawaii (Mr. FONG), and that it be in order at any time to ask for the yeas and nays on this matter.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, it will be on the motion to concur.

Mr. COTTON. Mr. President, reserving the right to object, I want to assure—I do not think I need to assure—the majority leader that I was not trying to cast any reflection on the way the Senate's business is being handled. He is doing the very best he can.

Mr. MANSFIELD. Quite the contrary.

Mr. COTTON. I voted against this bill in the very small minority of 17 because it involved such a huge expenditure, but it passed the Senate. I do not expect that can be changed. I dislike to seem to be holding up the procedure, but I must say the majority leader is very patient and most generous in perhaps honoring the whim of a Senator who just has the feeling that that amount of money ought not be acted upon with as small a group as is present. I trust that I am not too unreasonable——

Mr. MANSFIELD. If the Senator will yield, quite the contrary. I think the Senator made a valid point. He was making no effort to hold up action tonight, but after listening to the Senator, I thought this unanimous-consent proposal would be the best way to face up to the issue with more Members on the floor. I hope that there would be no objection to the request.

Mr. GRIFFIN. Mr. President, if the Senator will allow me to reserve an objection, I wish to observe to the distinguished Senator from New Hampshire, who is always so accurate and so correct in his observations, that it is not as though we had not had a rollcall on this matter, because it is an important subject, and there is a lot of money involved; but I do wish to just say that it was before the Senate and, as the Senator has already pointed out, he was among that sturdy, hardy group that voted against it. Now we are, as I understand it, faced with what is more or less a procedural step here, where we are concurring in a House amendment which actually has reduced the cost of the bill—a step which I think does not necessarily remove the objections of the Senator from New Hampshire, but, as I understand it, it would be more or less voting again on a subject that we have already voted upon.

If the Senator from New Hampshire thinks that is what we should do, of course, I would have no objection, and the Senator from Montana is ready to do that, but I think it might not be quite so awful to act on this, as we do in so many other instances where a conference report is involved, and we are not really expanding on legislation that has already passed by rollcall vote.

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

Mr. MANSFIELD. Surely.

Mr. COTTON Mr. President, I agree entirely with the acting minority leader. This is a perfectly reasonable thing. We fought the thing out. The Senate worked its will. Seventeen Senators voted against it. I must correct myself—19 Senators voted against it. We will probably lose a few votes anyway. However, more than a dozen Senators voted against it.

The bill spends too much money. The House actually reduced it.

It is a reasonable request. Every Senator knows that no harm will be done by the passage of the bill tomorrow. It is going to pass. It has passed the Senate. The Senate has worked its will overwhelmingly.

So the Senator from New Hampshire is not suggesting that there is anything wrong about it. The Senator from New Hampshire is merely suggesting that, like Caesar's wife, we have now reached a situation in public life in this country today when I do not want to have any comment or have anyone be able to say after tomorrow that the Senate passed a $3.5 billion bill with only seven Senators on the floor. They will not be able to say that truthfully. The bill has already passed by an overwhelming vote. They will not say that the House has reduced the amount. Very few people will understand that. However, somebody can pick it up and say that a $3.5 billion bill was passed with only seven Senators on the floor. It would be an unjust accusation that would reflect on the leadership and on all of us. It will not take over 10 minutes to do it on tomorrow.

I think that the majority leader is most generous and understanding. I am not going to admit that it is a whim on the part of the Senator from New Hampshire. I think it preserves the appearance of the Senate by passing it properly.

I express my appreciation to the majority leader. I hope that he will be equally patient with the Senator from New Hampshire, who wants to be able to go home at the end of this session and retire and try to think of something good to tell his people. I might even want a rollcall vote on this once more.

It is very difficult. It presents a great difficulty when one who has been in Congress for 28 years and has shouted many times and fought and bled and died in many causes is about to leave the Senate and leave the country in many ways in much worse condition than when he entered Congress. I will use any excuse that I can find to avoid doing it.

Mr. MANSFIELD. Mr. President, will the Chair rule on the request?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, I want to point out that the Senate and the Government also are the richer for the presence of the Senator from New Hampshire. Maybe that will help to balance the budget.

Mr. MANSFIELD. I would point out that the country will be the poorer for his voluntary retirement.

Mr. COTTON. Mr. President, I thank my friends for their very generous remarks. However, I must say that the country is not very much richer.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, April 3, 1974, he presented to the President of the United States the following enrolled bills:

S. 71. An act for the relief of Uhel D. Polly;

S. 205. An act for the relief of Jorge Mario Bell;

S. 507. An act for the relief of Wilhelm J. R. Maly;

S. 816. An act for the relief of Mrs. Jozefa Sokolowska Domanski;

S. 912. An act for the relief of Mahmood Shareef Suleiman; and

S. 2112. An act for the relief of Vo Thi Suong (Nini Anne Hoyt).

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10:30 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, after the two leaders or their designees have been recognized tomorrow under the standing order, I ask unanimous consent that the Senator from Minnesota (Mr. MONDALE) be recognized for not to exceed 15 minutes, and that following his remarks the Senator from Florida (Mr. CHILES) be recognized for not to exceed 10 minutes.

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

PROCEDURE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 11 o'clock a.m. tomorrow, the 1 hour of debate on the motion to invoke cloture begin running.

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

Mr. ROBERT C. BYRD. 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 Senate will convene at the hour of 10:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senator from Minnesota (Mr. MONDALE) will be recognized for not to exceed 15 minutes.

Following the remarks by the Senator from Minnesota, the Senator from Florida (Mr. CHILES) will be recognized for not to exceed 10 minutes.

At the hour of 11 o'clock a.m. the Senate will resume the consideration of the unfinished business, S. 3044.

The time for debate on the motion to invoke cloture on S. 3044 will begin running at 11 o'clock a.m. Upon the expiration of 1 hour, the clerk will call the roll to establish a quorum.

Upon the establishment of a quorum, the Senate will vote by rollcall on the motion to invoke cloture. Therefore, the vote on the motion to invoke cloture will occur at about 12:15 p.m.

What will ensue thereafter will depend, of course, on the outcome of the motion to invoke cloture. If cloture is invoked, S. 3044 will be the unfinished business until it has been disposed of, with the exception of one item which I shall mention subsequently.

If the motion to invoke cloture fails, the Senate will then resume the consideration of amendments to S. 3044, with votes occurring during the afternoon.

In any event, at the hour of 2 o'clock p.m. tomorrow, the Senate will resume the consideration of the message from the House of Representatives on S. 1866. There will be a motion to concur in the House amendment to S. 1866, and there will be 30 minutes for debate on that motion. The distinguished majority leader has already secured the consent of the Senate that the yeas and nays may be ordered at any time thereon.

There will be a yea-and-nay vote on the motion to concur in the House amendment to S. 1866, and that vote will occur, if the full time of 30 minutes is taken, at about 2:30 p.m. tomorrow.

ADJOURNMENT TO 10:30 A.M.

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 the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:51 p.m. the Senate adjourned until tomorrow, Thursday, April 4, 1974, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 3, 1974:

INTERNATIONAL EXPOSITION ON THE ENVIRONMENT

James G. Critzer, of Washington, to be Commissioner for a Federal exhibit at the International Exposition on the Environment being held at Spokane, Wash., in 1974. (New position)

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

The following-named persons to be members of the Board of Directors of the National Corporation for Housing Partnerships for the terms indicated:

For the remainder of the term expiring October 27, 1974:

Henry F. Trione, of California, vice I. H. Hammerman II, resigned.

For the term expiring October 27, 1975:

Charles J. Urstadt, of New York, vice Walter James Hodges, term expired.

For the term expiring October 27, 1976:

Raymond Alexander Harris, of South Carolina, vice Ray A. Watt, term expired.

IN THE NAVY

Adm. Worth H. Bagley, U.S. Navy, for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085, in the grade of admiral.

HOUSE OF REPRESENTATIVES—*Wednesday, April 3, 1974*

The House met at 12 o'clock noon.

Rev. Mr. Charles A. Mallon, permanent deacon, St. Ambrose Church, Cheverly, Md., offered the following prayer:

The Lord God has given me a well-trained tongue, that I might know how to speak to the weary a word that will rouse them.—Isaiah 50: 4.

Almighty Father, bless this community of priests, prophets, and kings. As you begin Your daily work of renewal within each of them, help them to be reconciled to this calling.

Bring them to deeper understanding of this ministry of reconciliation which You have given each of them.

Father, grant to this body a holy and joyful acceptance of their individual and collective sufferings, frustrations, and defeats. Permit these hardships, Lord, to be counted among the redemptive sufferings of Your Son, our Lord, Jesus Christ, whose suffering continues to reconcile this Nation to You.

We trust, Lord, that this Nation and this body will continue to reflect the power of Your Holy Spirit, for we place ourselves as a nation subject to You and acknowledge that all glory and honor is Yours. 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 a bill of the following title, in which the concurrence of the House is requested:

S. 1017. An act to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 85–474, appointed Mr. GRIFFIN to attend the Interparliamentary Union Meeting to be held in Bucharest, Romania, April 15 to 20, 1974.

THE REVEREND CHARLES A. MALLON

(Mr. GREEN of Pennsylvania asked and was given permission to address the House for 1 minute.)

Mr. GREEN of Pennsylvania. Mr. Speaker, I rise to take just 1 minute to thank the Reverend Mr. Charles Mallon for delivering the opening prayer this morning. I have known the Reverend Mr. Mallon almost all of my life. His father was an administrative assistant to me and to my father in Philadelphia. Starting in 1949, Mr. Joseph Mallon served in our Philadelphia office until 1971. The Reverend Mr. Charles Mallon is also an employee of this House in the Sergeant at Arms' office and has been for 12 years.

Mr. Speaker, what we witnessed today was a very unique thing, because the Reverend Mr. Charles Mallon is a permanent deacon of the Catholic Church. The diaconate is a renewed ministry resulting from Pope John's convening of Vatican Council II.

This is the first time in the history of the House that a deacon of the Roman Catholic Church has ever given the opening prayer. The diaconate, as it was known in the early church, went out of practice or use about the year 423. Its renewal allows married lay Catholics the opportunity for a ministry. Deacons may baptize, marry, and preach. They may do everything a priest of the Roman Cath-